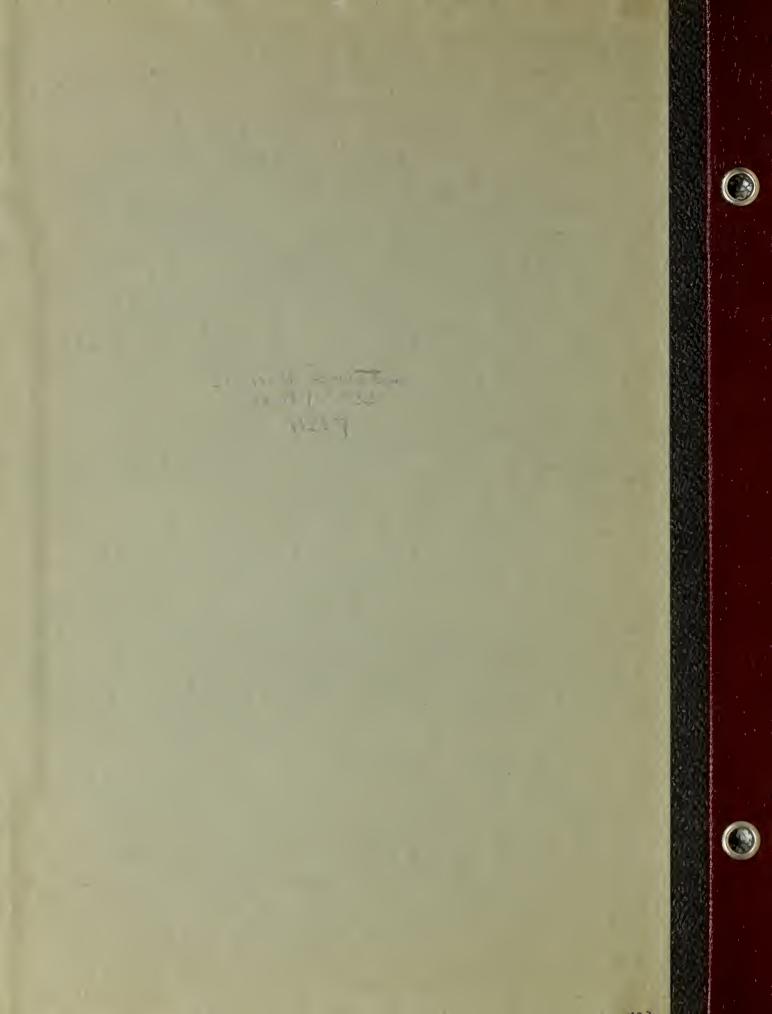
History of state and furnished public school systems of Massachusetts. Marnell M. G. Thesis 1933



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BOSTON UNIVERSITY
SCHOOL OF EDUCATION

Thesis

A HISTORY OF STATE AID FURNISHED PUBLIC SCHOOL SYSTEMS OF MASSACHUSETTS

Submitted by

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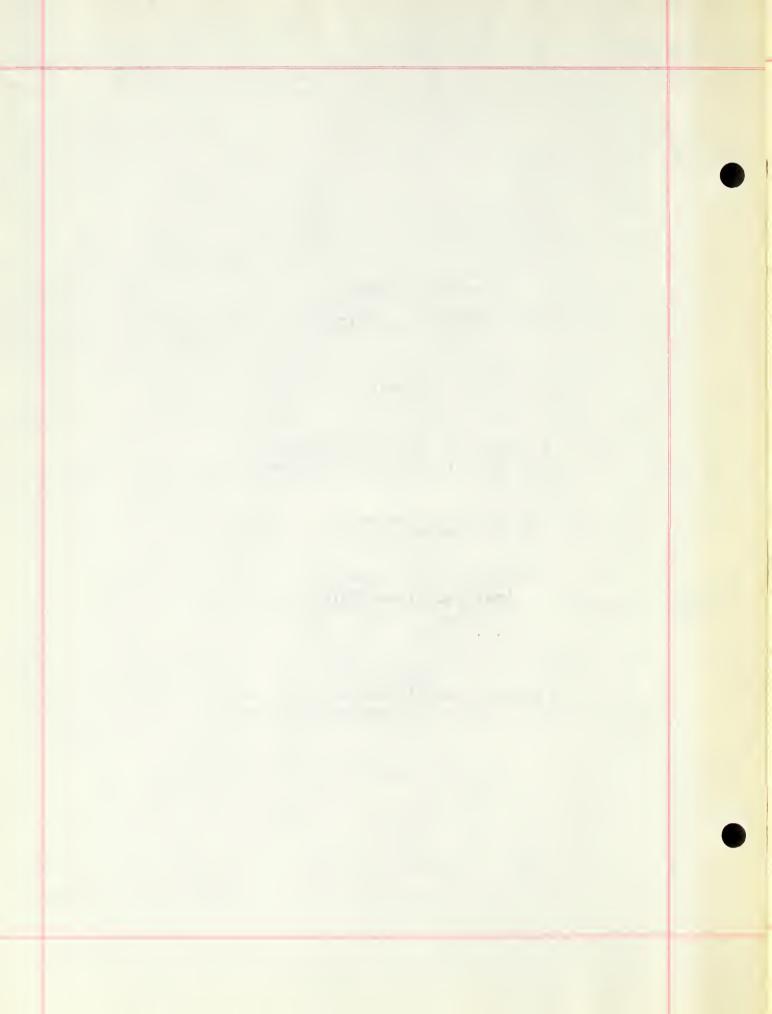
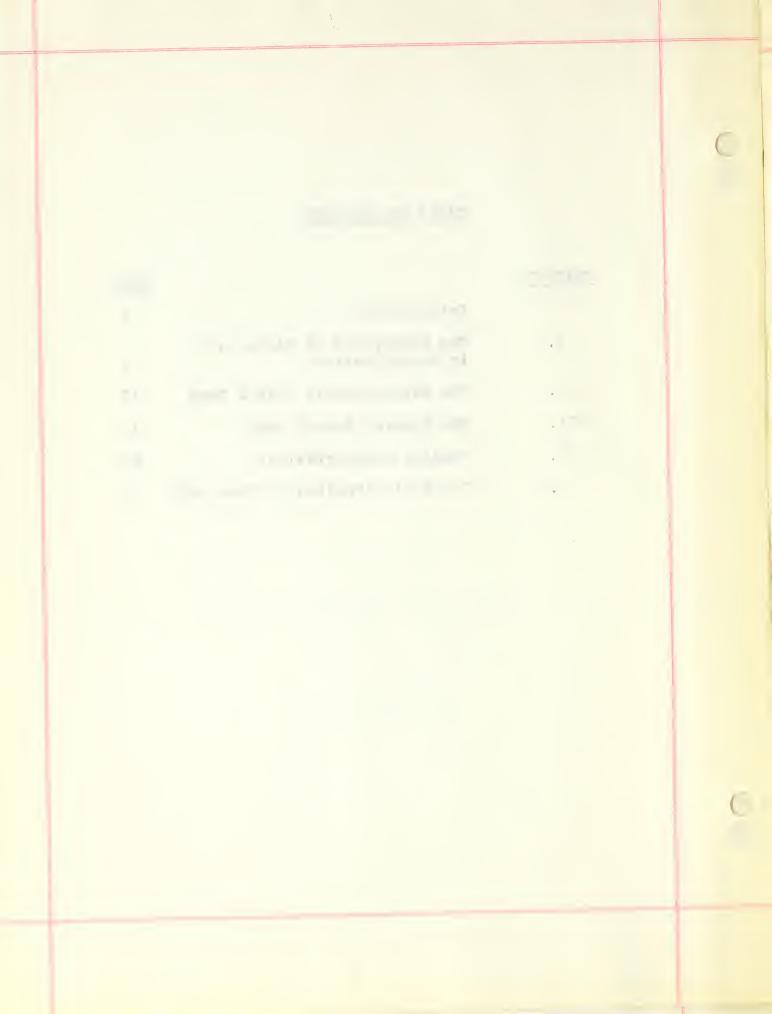


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INTRODUCTION

When Massachusetts embarked on a policy of state aid for public school systems early in the nineteenth century, she proclaimed her desire to "encourage" education, not to support it. This encouragement has taken the one form consistent with the part played by the state in education according to the political philosophy dominant in Massachusetts—it has aimed at equalized educational opportunity for all. For incontrovertible reasons that have their roots deeply buried in the foundations of human society, such equalized educational opportunity is an unattainable ideal and progress towards it must be asymptotic. It is gratifying to state that Massachusetts has, on the whole, progressed steadily towards her goal.

This paper is designed to present the story of that progress. State aid to local educational systems has been derived from three sources, the Massachusetts School Fund, founded in 1834, the General School Fund, made available in 1919, and special appropriation. In considering the two formally constituted funds, they have been approached from three angles. In the first place, the growth of the funds has been traced, a process which covered nearly three quarters of a century in the case of the School Fund. Next, the assignment of state aid in its legal aspects has been considered and finally, the actual assignment of aid as it has

affected the communities of the state has been treated. As
the following study concerns itself primarily with the assistance furnished by Massachusetts to school systems as such,
state aid for special educational projects has not been deemed
germane to the subject and it has not been treated "in extensu".
However, a summary of the aid being furnished by special
appropriation for such projects at the present time has been
included. Throughout her study the writer has endeavored to
keep one fact in mind. Massachusetts endeavored, almost from
the start, so to administer state aid that its net result
would be a tendency towards the equalization of educational
opportunity. The most important aspect of her study has been
an attempt to determine the extent to which Massachusetts
has succeeded.

Two main sources of information have been used by the writer in the course of her study, the Statutes of Massachusetts relating to Education and the Annual Reports of the State Department of Education. She is deeply indebted to the Statistical Department of the Boston Public Library and to the Department of Education for their kindness in making available to her these sources of information.

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CHAPTER I.

THE BACKGROUND OF STATE AID IN MASSACHUSETTS.

1.

The settlement of the Massachusetts Bay Colonv was actuated by religious, social and economic forces. In the larger pageant of world history, it was an episode in the mighty rejuvenation of things intellectual that had its inception in Italy and spread northward and westward over all civilized Europe. To the south of Europe, the Renaissance meant the shaking off of the slough of a decadent Medievalism, the reincarnation of the spirit that moved in the Athens of Pericles and the Rome of Augustus. Behind the facade of Scholasticism that was gloriously alive in the thirteenth century and moribund in the fifteenth, there was concealed the massive structure of Classicism, dimly sensed through the ages that were darkened by Gothic invasions, overshadowed by the ecclesiastic supremacy, the inductive ethics and metaphysics of the Middle Ages, now in the Gotterdammerung of the Schoolmen to bring a fresh breath of nature to ardently receptive peoples. In the south, the Renaissance invoked a new philosophy of life. The individual was exalted, liberty and emotional expression became ideals, the search for beauty and truth led through the maze of personal experience, not through the tenets of an established creed and an established philosophy. It found positive expression in literature and the fine arts.

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The state of the s the second secon To the masterpieces of classical antiquity, it paid the due homage of respectful imitation, but it breathed into the now cold perfection of Hellenic thought and art a vitality of its own.

The spirit of the Renaissance moved into northern and western Europe. But, save in France, the north and west had no glorious intellectual past. Christianity was the civilizing force that raised the Teuton races to culture. And the background of northern civilization was largely a religious monotone. Yet in Germany and England, as well as in Italy and France, the Renaissance meant the exaltation of the individual, the idealizing of liberty and emotional expression, an independent search for beauty and truth. In these northern lands, it was inevitable that this spirit of rebirth should direct itself towards religion. Luther and Melancthon found expression in religion as naturally and inevitably as Petrarch and Ariosto found it in poetry. In the north the Renaissance became the Reformation.

It is not the function of this paper to trace the development of religious thought in England and Germany of the sixteenth and seventeenth centuries. But an appreciation of the fundamental attitude of the Puritans towards education must predicate some appreciation of their attitude towards man's relations with God. Poles apart in spirit from those figures we regard as typifying the Renaissance, yet the Puritans had a curious philosophical kinship with them. The essence

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of their philosophy of life was a stalwart individualism which assumed that each man must work out his own destiny. Translated into terms of religion, this meant an individual responsibility to God. With the rejection of an established church, the Bible grew in importance among them until one may fairly call it the central fact of their lives. There was much of the fine, old Stoic belief in active, creative virtue among the Puritans. In the Bible each individual must find the road to Heaven; their religious concepts made no room for a passive acceptance of established dogma. In the Bible there was salvation. To gain salvation, one needed knowledge of the Scriptures. Such knowledge rendered education essential. Thus education was a prerequisite for salvation. In a word, two facts about education among the Puritans become patent. In the first place, education had to be a potent factor in the Puritan scheme of life; in the second place, education was the handmaiden of religion.

2.

The most significant fact that confronts one investigating the history of state support of local education in Massachusetts is that in no state of the union has it played so small a part. Fletcher H. Swift states, "No other state in the union pursued so long and so completely the policy of placing ***

Public School Finance in Massachusetts, University of Minnesota Press, Minneapolis, 1923. p. 1.

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almost the entire burden of school support upon the local community.... The conviction that the state should assume little or no responsibility either for the direction or for the support of the schools delayed provision for a state permanent school fund until 1834, and from the beginning until now legal limits have been established which the principal must not exceed.

The consecutive history of education in Massachusetts starts with the founding of the Public Latin School in Boston on April 23, 1635. "On the 13th of the second month, 1635....

Att a Generall meeting upon publique notice....it was....
generally agreed upon that our brother Philemon Pormort shall be intreated to become scholemaster for the teaching and noutering of children with us." The school was designed for the teaching of Latin and Greek and was probably modelled on the Free Grammar Schoole of Boston, England, the old world home of Reverend John Cotton and other leading figures in the Colony. The following year forty-five of "the richer inhabitants" contributed "towards the maintenance of a free school-master for the youth with us, Mr. Daniel Maud being now chosen thereunto". Thus it is evident that education in Massachusetts was first supported by voluntary contribution

Quoted from Town Records of Boston in Catalogue of the Public Latin School in Boston, December, 1932. p. 10.

Second Report of the Record Commissioners, p. 160. Quoted in The Development of School Support in Colonial Massachusetts, by George L. Jackson, Columbia Univ. Press, New York, 1909. p. 37.

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of relatively wealthy citizens. Further confirmation of this fact is adduced by Winthrop in his History of New England . He states that in 1645 the custom was to pay "the yearly charge of the school by contribution, either by voluntary allowance, or by rate of such as refused etc., and this order was confirmed by the General Court". Support of the Public Latin School by voluntary contributions ended in 1650. At that time it was "agreed that Mr. Woodmansey, the Schoolmaster shall have fiftye pounds per annum for his teaching the schollers and his proportion to be made up by rate". In 1679 a free school for the children of the poor, in which writing and arithmetic were to be taught, was established. Yet this school was not completely free, for we learn "...vt such psons as send thiere Children to schoole (vt are able) should pay somethinge to ye Master for his better incouragement in his worke". 3 Indeed, it was not until 1751 that the charging of tuition by the public schools of Boston was expressly forbidden. 4

The situation in colonial Boston was fairly characteristic of the remainder of the Colony. In 1668 Braintree established

The History of New England from 1630 to 1649, by John Winthrop, 2nd. ed., Boston, 1853. vol. II, p. 264.

Second Report of Record Commissioners, p. 99.

³Report of the Record Commissioners, vol. VII, p. 127.

Report of the Record Commissioners, vol. XIV, p. 199.

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a town school, to be supported by the town. Brookline, originally a part of Boston, separated in 1686 and, the same year, opened a school supported as usual partly by town rates and partly by tuition charges imposed on those capable of paying them. The last record of tuition charges in the town of Brookline is found in the year 1710. The first schools of Cambridge were private schools, encouraged by the town through gifts of land and occasional donations. It was not until 1692 that the change was made from private to town school. The Records of Cambridge state, "It was then voted by the Inhabitants that they would give to a grammar schoolmaster that should also teach english that they would allow a Schoolmaster Twenty pound a yeare in Comon pay and this was voted in the afirmitive by the major part of the Inhabitants then present at least two to one". 3

An interesting and probably significant parallel can be drawn between the development of the concept of organized charity in England and the financing of education in the Plymouth and Bay colonies. The support of the poor in England passed through three stages. First, there was a period of voluntary contribution, followed by a period of compulsory contribution and culminated by the assessment of a general tax. At the outset of this paper an attempt was made, in

Records of the Town of Braintree, Samuel A. Bates ed., 1886.

Records of Brookline and Muddy River, Boston, 1875, p. 96.

Records of the Town of Cambridge, Cambridge, 1901, p. 297.

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eutline form, to demonstrate that a natural and, indeed, inevitable link existed between education and religion in the Colony. With secular education regarded as the hand-maiden of religion and with religious education deemed the highest duty of the schools, it was but natural that, on the mundane side, the processes of school support should resemble those of church support. Thus we find voluntary contributions to school support characteristic of the very earliest period of colonial education, followed by periods of required contributions and general taxes.

3.

The history of state aid to the public schools of Massachusetts starts with the creation of the Massachusetts

School Fund in 1834. Prior to that date, the schools depended for support exclusively on four sources of income. They were private contributions, tuition charges, town funds and local taxation. It is most noteworthy that each of these sources of support, as we have indicated, had its roots in colonial times and was essentially local in nature. Indeed it is not to be assumed that the creation of the Massachusetts School Fund threw the balance of support onto the state.

Actually it is only since the World War that the state has assumed even a substantial minor share of the expenses.

Thus the traditional attitude of Massachusetts has been and still is in favor of a school support fundamentally local, with state assistance supplementary. This fact, as later will

be seen, is of considerable importance for the light it throws on the present system of state aid, which endeavors to parcel out financial, assistance to the towns according to local need. In many states the formation of a permanent school fund has been the motivating force used to bring about local taxation. In Massachusetts, the process was reversed. Local taxation for educational purposes was permissive from the beginning, developing, as has been seen, from the original school support by contribution characteristic of the early colonial days. In 1827, seven years before the School Fund was established, local taxation was made compulsory.

In point of time, twenty states preceded Massachusetts in the establishment of permanent school funds. The first state to take such a step was New York, which founded a fund to be used for "premoting literature" in 1786. It is interesting to note that the fund was originally founded by the sale of state lands. This method was also followed by Massachusetts. However, the New York fund was later amplified by quit-rents, canal funds, appropriations and with an interesting conversion of the gains of Mammon to the ways of right-eousness—by the proceeds of lotteries. The New York fund did not grow with especial rapidity, in 1851 the principal barely exceeding \$1,000,000. The next state to establish a permanent school fund was Connecticut. The parallel between the foundation of

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¹General Laws, 1827, chap. 143, sec. 4.

Historical and Statistical Record of the University of the State of New York, by F.B. Hough, p. 80.

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the funds of Connecticut and Massachusetts is more striking than in the case of New York and Massachusetts. The original charter of Connecticut, granted in 1662 by Charles II, ceded the colony all the land between north latitude 41° and 42° 2' to the Pacific Ocean. This immense grant was gradually whittled down until in 1786 Connecticut had left a Western Reserve west of Pennsylvania and extending to the Pacific Ocean seventy miles wide. In 1786 the General Assembly of Connecticut authorized her delegates to Congress "to convey to the United States all lands lying west of a line parallel to and 120 miles distant from the western line of the State of Pennsylvania". In 1786, 24,000 acres were disposed of and in 1792 a further sale of 500,000 acres was effected. In 1793 the General Assembly appointed a committee of eight to sell the remainder of the Western Reserve. The act passed in 1793 read as follows:

Be it enacted etc., that the monies arising from the sale of the territory belonging to this State, lying west of the State of Pennsylvania, be, and the same is hereby, established a permanent fund, the interest whereof is granted and shall be appropriated to the use and benefit of the several ecclesiastical societies, churches, or congregations of all denominations in this state, to be by them appled to the support of their respective ministers or preachers of the gospel and schools of education, under such rules and regulations as shall be adopted by this or some future session of the General Assembly.³

Opposition was widespread but within two years it ended, when

Report Connecticut Board of Education, 1876, p. 108.

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a second Act was passed, specifying the precise method of distrib tion of the funds thus acquired. The fundamental provision of the Act of 1795 was the creation of a perpetual fund, the interest of which was to be paid to the various school societies for the support of the schools. An interesting insight into the close connection between religion and education in Puritan New England is furnished by the further provision of the Act permitting the Assembly to authorize any society which expressed such a desire by a two-thirds vote to expend any part or all of its allotment for the support of the ministry. For some years the fund thus ereated was in a chaotic state, order finally being realized by James H. Hillhouse who, in 1810, was appointed Commissioner of the School Fund, a position still in existence. Under his expert guidance the fund grew until in 1825 it amounted to almost \$1,250,000.

Delaware was the only other state to start a permanent school fund before 1800. In 1796 a fund was established in Delaware deriving revenue from the sale of marriage and tavern licenses, which grew at a rather modest rate until it approximated \$160,000 in 1829. The sale of state lands furnished a foundation for school funds in Illinois, Maine, Ohio, Pennsylvania, South Carolina and Tennessee, among the states which established funds before Massachusetts. A further source of principal for permanent school funds in many states was the United States Surplus Revenue Loan of 1837. Provision was made by an act of Congress passed June 23, 1836 to

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deposit with those states, authorizing their proper officials to receive such loans, all the money remaining in the national treasury on January 1, 1837, except the sum of \$5,000,000. The Act made this assignment of national funds a loan and not a permanent grant. Approximately \$28,000,000 was distributed, and this loan has never been recalled by the Federal Government. Dr. Fletcher H. Swift, in his A History of Public Permanent Common School Funds in the United States, 1795-1905 declares that all states benefiting by this distribution devoted all or part of their allotment to common school support except Michigan, Mississippi, South Carolina and Virginia. Five states, Alabama, Delaware, Louisiana, Missouri and New York, set aside their entire shares as state-wide school funds. Maryland devoted the interest on seven-ninths of her share to school purposes, Indiana and Illinois used two-thirds of their shares as school funds, Kentucky four-sevenths and Georgia one-third. Other states distributed their shares directly to the towns, usually on a per capita basis. This system was followed by the New England states.

Thus, when Massachusetts saw fit to establish a permanent school fund, it had ample precedent by which to be guided. Probably Connecticut, one of the leaders in the movement, offered the most valuable guidance to the state to the north.

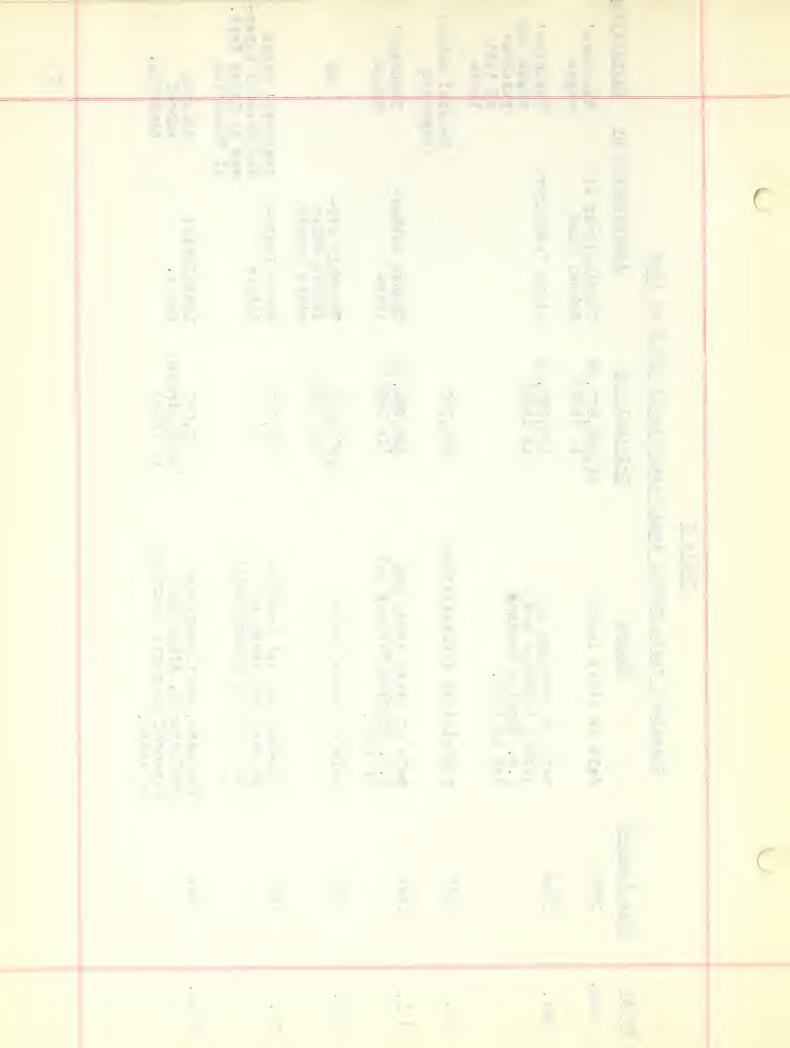
Statutes at Large, 24th Congress, Session I, vol. v, chap. 115, p. 55.

New York, Henry Holt Co., 1911, Part I, chap. iii.

In concluding the first part of this atudy, a table has been appended listing the states which established permanent school funds before Massachusetts, and indicating the year in which the funds were established. The original or the major scurces from which such funds were derived are also indicated. Since this table does not pretend to consider the growth of such funds, it has not been deemed advisable to indicate the Surplus Revenue Act of 1837 as a source of the state funds except in the case of those states in which the revenue derived from that Act constituted the original or major portion of a permanent state school fund. It has proven impracticable to state, in a majority of cases, the original sum provided for the state funds. Moreover, since such funds are usually of a cumulative nature, the starting point from which they have been built seldem possesses much significance. A statement of the authorities administering such funds at the time of their inception and the specific disposition ordained are also included in this table. The information thus presented in tabular form has been derived from Dr. Swift's A History of Public Permanent Common School Funds in the United States, 1795-1905, Part II.

		Permanent State School Funds established prior to 1834	established prion	r to 1834	
State	Date founded	Source	Original Sum	Administered by	ed by Dispositio
Conn.	1795	Sale of state lands	\$1,237,677.68 (in 1825)	Commissioner of School Fund	Teachers!
Del.	1796	Sale of marriage and tavern licenses and U.S. Surplus Revenue Act of 1837.	158,160,15 (in 1829)	State Treasurer	Teachers! Wages and purchase of text books
8 9	1817	Legislative appropriation	250,000		General school expenses
.111	181	Sale of state lands and U.S. Surplus Revenue Act of 1837.	335,592,32 (in 1837)	County author- ities	Teachers *
Ind.	1816	Sale of state lands	1,600,000 (in 1852)	Township off- icials under state grants.	op
Ky.	1881	One-half of net profits of stock of state in Eank of the Commonwealth	000,009	State legis- lature	Teachers wages and general expenses of State Dept.
Miss	1881	Escheats, confiscations, forfeitures, fines and personal property accruing to state.	50,000 (approximate, in 1833)	Legialative grant.	General school expenses.

Table I



	Disposition	General school	Ø	0	Professional preparation for teachers.	General school expenses.	Q Q	1
	Administered by	State treasurer	State legislature	County officials by state grant rt rt	State Controller	State legislature	County authorities us by state grant 1838.	
(cont.)	Original Sum	\$681,387	278,239 (in 1855)	87,076.34 (exclusive of Surplus Revenue income, an indeterminable part of which was devoted to schools)	1,044,889,09 (in 1851)	1,732,485 (in 1838)	Not set, but annual revenue of \$200,000 provided in 18	
Table I (c	Source	Tax on bank stock and U.S. Surplus Revenus Act of 1837	Sale of state land	Dividends of Trenton Eanking Co., income from various shares in turnpikes and U.S. binds. Also U.S. Surplus Revenue Act of 1837.	Sale of state lands, later additions from quit-rents, canal funds, appropriations and lotteries.	Dividends from bank stock, taxes on liquor licenses, auction taxes, unexpended agricultural funds, sale of state lands and U.S. Surplus Revenue Act of 1837.	Sale of state lands and U.S. Surplus Revenue Act of 1837.	
	Date Founded	1812	1828	1817	1786	1835	1827	
	State	Md.	Me.	N.J.	N.Y.	° U	Ohio	

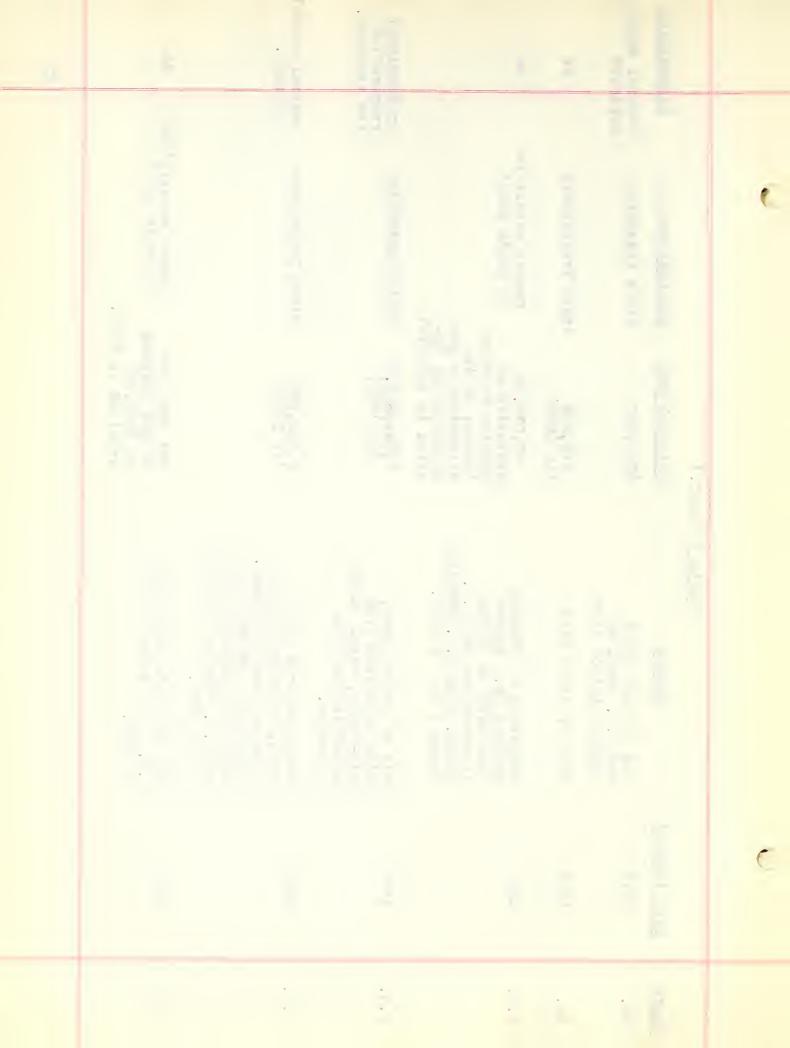
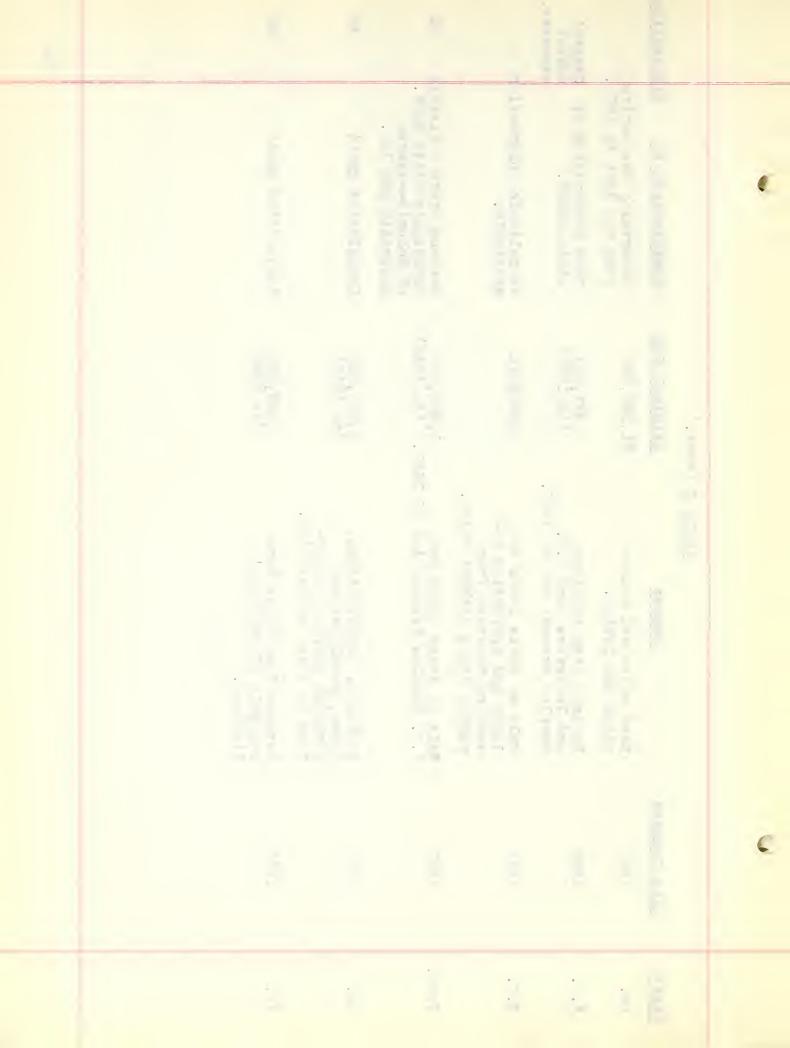


		Table I (cont.)	cont.)		
State	Date founded	Source	Original Sum	Administered by Di	Disposition
् ल व	1831	Land sales and county rates and levies.	\$1,550,000	Uncertain; the entire fund was lost by 1870	•
M. T.	1828	Revenue from auctions and lotteries, and U.S. Surplus Revenue Act of 1837.	391,611 (in 1858)	Town authorities by state grant.	General school expenses.
ပ်	1811	Sale of state lands and lands and properties reverting to state from people dying without heirs.	Uncertain	No reliable information available.	ď
Tenn.	1827	Sale of state lands and U.S. Surplus Revenue Act of 1837.	1,500,000 37. (in 1848)	Various state officials especially State Supt. of Schoolssystem uncertain and lax.	Ø
va.	1810	Escheats, confiscations, fines, penalties and personal property reverting to state as derelict.	1,000,000 (in 1818)	Legislative grant	ಥಿ
Vt.	1825	Revenue from State Bank and sale of peddlers' licenses.	240,000 (in 1845)	Legislative grant	O T



CHAPTER II

THE MASSACHUSETTS SCHOOL FUND

1.

Thus far it has been seen that education, in the Puritan concept of life which obtained in Massachusetts, was necessarily concemitant with religion. As a natural result, for two centuries public school education in the Bay State was purely a local affair, locally supported at first by voluntary or required contribution and by tuition and later by local taxation. Other sections of the country, less influenced perhaps by the sturdy spirit of individualism innate in the Massachusetts dissenters, conceived of education as a state duty at an earlier period. Massachusetts' surrender to the educational Zeitgeist was deferred and reluctant, and when surrender was made, it was carefully hedged in by restrictions designed to preserve local autonomy in matters educational.

The first step towards the foundation of a permanent school fund in Massachusetts was taken in January 1828, when "the Committee on Education, of the House of Representatives, in a report made by the Mon. W.R. Calhoun declared, 'that means should be devised for the establishment of a fund having in view not the support but the encouragement of the common schools and the instruction of school teachers' ".1

G.S. Boutwell, "Massachusetts School Fund, Its Origin and History" in Board of Education of Mass. Report, 1859, pp. 38-47.

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The determination of Massachusetts not to subordinate the individual community to the state in the management of the schools mad be seen in that significant phrase, 'not the support by the encouragement'. In February, 1828, the same committee recommended the establishment of a fund which would return to the towns a sum equal to about one third of the amount raised by local taxation for school purposes. The committee stressed the danger to public interest in education inherent in any larger state contribution, and cited the example of Connecticut as illustrating the undesirability of a larger state aid. Its recommendations were drawn up in the form of a law but it failed to secure passage. In January, 1833, a committee was appointed in the House of Representatives to consider the practicality of establishing a state fund derived from the sale of state lands to be applied to the support of common education. The committee reported favorably on the project the same month. It was believed that the fund would amount to \$1,634,418.32 and its annual income to \$98,065.09, or about seventy cents to each child between the age of five and fifteen in the state. The major portion of this sum, \$1,400,000, would be provided by the sale of 3,500,000 acres at a charge of 40¢ an acre, the remainder being made up from cash and notes on hand. In February, 1834, Hon. A.D. Foster of Worcester submitted a bill which was the bass of the law by which the Massachusetts School Fund was established.

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The law establishing the Fund was passed on March 31, 1834 and it contained the following provisions:

Sec. 1. Be it enacted by the Senate and House of Representatives in the General Court assembled, and by the authority of the same, That from and after the first day of January next all monies in the treasury derived from the sale of lands in the State of Maine and from the claim of the State on the government of the United States for military services, and not otherwise appropriated, together with fifty per centum of all monies thereafter to be received from the sale of lands in Maine, shall be appropriated to constitute a permanent fund for the aid and encouragement of common schools; provided, that said fund shall never exceed one million of dollars.

Sec. 2. Be it further enacted, that the investment of the monies hereby appropriated shall be made by the treasurer and receiver general with the approval of the governor and council first obtained.

Sec. 3. Re it further enacted, that the income only of said fund shall be appropriated to the aid and encouragement of common schools, and that a first and equal distribution thereof shall be made to the City of Boston and the several towns and districts in the Commonwealth in such manner as the legislature shall hereafter appoint; provided, that there shall never be paid to any city, town or district a greater sum than is raised therein respectively for the support on common schools. Approved by the Governor, March 31, 1834.

Thus it may be seen that the School Fund bears a very close resemblance in its origin to the similar fund in Connecticut. In each case, the basis of the fund is the proposed sale of lands owned by the state but located outside the state proper. Until 1820, Maine had been a district of Massachusetts. Chapter 287 of the Acts of Massachusetts for 1820

¹ General Laws of the Commonwealth of Massachusetts, 1834, chap. 169.

provided that Maine be organized as a separate state. By the terms of the original Act of Separation, one half of about 6,000,000 acres of land lying in Maine went to Massachusetts. It was from the sale of these lands that the Act of 1834 proposed to establish a School Fund.

Dr. Swift states¹, '...scarcely any other fund shows so rapid an evolution and such ready adaptiveness to changing conditions, from whatever point it may be viewed'. Since the Massachusetts School Fund was to be the only formally organized source of assistance provided by the state to the towns in their educational projects, it may be well at this point to depart from a strictly chronological development and briefly to trace the development of the Fund until the start of the twentieth century.

By the end of 1835, the principal of the Fund amounted to \$514,906 and the Fund's revenue was \$16,331. Fifteen years later, in 1850, the principal had grown to \$958,921 with a yearly revenue of approximately \$45,000. Thus the Fund was rapidly approaching the maximum set by the Act of 1834. There were still extensive land holdings in Maine to be disposed of and in 1851 the limit of the principal was raised to \$1,500,000.

¹A History of Public Permanent Common School Funds in the United States, 1795-1905, Henry Holt Co., New York, 1911.

Report of the Secretary in Annual Report of the Board of Education of Massachusetts, 1845, p. 22.

Report of Board of Education, 1857, p. 70.

⁴Ibid., p. 70.

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By 1853 the Maine lands had been entirely sold, and the principal now stood at \$1,244,284.

The following year, provision was made for a further increase in the principal of the Fund. Chapter 300 of the Laws of 1854 provides for increasing the Fund by transferring "such a number of the shares held by the Commonwealth in the Western Railroad Corporation as will, at the rate of one hundred dollars a share, increase the principal of the said Fund to the amount of one million five hundred thousand dollars". However, the Law of 1854 made provision for futher addition to the principal of the Fund. Until 1854 the entire income of the Fund had been used for educational purposes, any additional expenditures which had to be met being paid either from money accruing from the sale of lands in Maine or directly from principal. While this point will merit further consideration when the matter of the disposition of the Fund is considered, it may suffice at the present point to say that provisions were now made whereby only half the income of the Fund was devoted to the support of common schools, the other half being retained for supplementary expenses, with the provision that the unexpended portion should be added to the principal. The maximum principal was set at \$2,000,000 by the Law of 1854. As a result of these additions to the sources of income available for the Fund, the principal grew to \$1,627,467 in 1856.

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¹ Board of Education Report, 1857, op. cit., sec. 20, p. 70.

the second secon the second secon In 1859, when made land resulting from the drainage project in the Back Bay section of Boston became available for sale, provision was made for the addition of money thus acquired to the Fund. During the period from 1859-64, \$456,930 was added to the Fund from this source. On January 1, 1882 the Fund amounted to \$2,087,107.01. By an exchange of Boston & Albany Railroad stock for bonds in the same corporation, about \$624,000 was added in 1882 to the principal of the Fund. By the end of the year the Fund had \$2,711,263 with a net income for the year of \$137,465.34.

An important step in increasing the Fund was taken in 1891. Provision had been made in 1890 that "Any moneys which may hereafter be received into the Treasury of the commonwealth from the general government the disposition of which is not otherwise provided for, shall be paid into the Massachusetts School Fund." "...by the United States war claims collected, amounting to \$12,043.73 and by \$696,407.88 from the United States direct tax of 1861, recently refunded. an addition of \$708,451.61 was added to the Fund. Thus in 1891 the principal amounted to \$3,665,761.88 and its interest to \$138,625.

¹Acts, 1859, chap. 154.

² Board of Education Report, 1881-2, sec. 46, p. 58.

³Acts of 1890, chap. 335, sec. 1.

⁴Roard of Education Report, 1892-3, p. 102.

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Another important addition to the Fund was provided in 1894. The Resolves of 1894 stated, "Resolved, That there shall be paid into the Massachusetts School Fund out of the treasury of the Commonwealth the sum of one hundred thousand dollars annually, until the principal of said fund shall amount to the sum of five million dollars". A further \$150,000 was added to the Fund in 1901 from the excess of income of the Fitchburg Railroad Securities Loan Sinking Fund. 2 This sum resulted from a lengthly and involved manipulation of state holdings in the Fitchburg Railroad Company. In 1893 provision was made that the excess income resulting from such manipulation should be added not to the principal, but to the interest of the School Fund. Consequently, in 1901, in accordance with the Law of 1854, one half of this \$150,000 was paid to the towns benefiting from the Fund. In 1905 the principal of the Fund amounted to \$4,880,110.66 and its annual income was \$219,881.54. It is interesting and characteristic of the state to note that in 1905 the income from the School Fund amounted to about 1 2/10% of the entire revenue of the state for school purposes.

By 1905 the Fund had reached a relatively stabilized condition, and it is not our purpose at the present time to trace the history of the Fund from 1905 to the present day. Indeed, the further history of the Fund concerns itself primarily with

lnesolves of 1894, chap. 90.

²Acts of 1901, chap. 223.

³Acts of 1893, chap. 408.

and the first time to the first without married to the property of the first time. the lands of the second course The state of the s

methods of expenditure rather than the process of increment.

The material considered above is presented in tabular form in Table II. In this table the major additions to the Fund are enumerated, the dates at which they were made are stated as well as the amounts received. Unless otherwise stated, the sums indicated were added as lump sums to the principal.

3.

Provision was made in the act creating the Fund in 1834 that it be invested by the Treasurer and Receiver-general of the Commonwealth, subject to the approval of the Governor. This system of management lasted until 1866. In that year the Fund had reached the sum of \$2,000,000 and it had become evident that the Board of Education should have a voice in the investing of the principal. Consequently an act was introduced into the state legislature, passed and approved on March 2, 1866, which provided for the formation of a committee consisting of the secretary of the Board of Education, the Receiver-general and Treasurer of the Commonwealth and entrusted to them the investment of the Fund. The Act changing the administration of the Fund was worded as follows:

Sec. 1. The secretary of the board of education and the treasurer and receiver-general, shall be commissioners, whose duty shall be to invest and manage the Massachusetts school fund, and report annually to the legislature the condition and income thereof. All new investments of said fund, or any part of the same, shall be made

¹Acts of 1866, chap. 53, sec. 1.

Table II

Development of Massachusetts School Fund

Date	Source	Amount Received
1835	Sale of Maine lands	\$514,906
1835- 1849	do	444,015
1850	do	45,000
1851- 1853	do	220,363
1854	Transfer of Western Railroad Corp. shares	255,716
1859 - 1864	Sale of made lands in Back Bay, Boston	456,930
1882	Exchange of Boston and Albany Railroad stocks for bonds at a premium	624,000
1891	United States war claims	12,043
1891	Refunded United States direct tax of 1861	696,407
1894	Treasury of Commonwealth	100,000 (annual until Fund reaches \$5,000,000)
1901	Excess income of Fitchbur Railroad Securities Loan Sinking Fund	g 150,000 (also \$25,000 annually until 1937)
1902	do	75,000 (paid to income of Fund)

with the approval of the governor and council.

This system of management is still (1933) followed. At the close of the fiscal year 1920-1, the principal of the Fund was reported as consisting of securities valued at \$4,999,352 and of \$648 in cash, thus bringing the Fund up to the legal limit of \$5,000,000. There are no specific restrictions imposed by law as to the type of investment to be chosen by the administrators of the Fund. However, United States bonds form the basis of the Fund¹, the remainder being invested in municipal and county issues and in railroad bonds.

In 1902, a Commission was appointed by the state legislature to investigate the methods employed in supporting the public schools of Massachusetts. This Commission, on which Horace G. Wadlin served as Chairman, prefaced its recommendations by a brief historical sketch of the development of the School Fund. In reference to method of distribution, the Commission stated, 2

From 1834 to 1884, one-half of the income was distributed to all towns and cities on the basis of population, or school population, conditioned upon their raising by local taxation a sum equal to \$1.25 for each person of school age (from 1834 to 1849); \$1.50 for each person between five and fifteen years of age (from 1849 to 1885); and \$3 for each person between five and fifteen years of age (from 1885 to the present time).

In the Statutes relating to education, as summarized in in 1868 issue, it is stated that one-half the annual income

¹ Massachusetts State Auditor's Report, 1920, pp. 515-517.

Report of the Commission on the Method of Supporting Public Schools, Boston, 1902. p. 16.

was, until that date, apportioned without specific appropriation. Specific appropriations for specific educational purposes were to be made from the remaining half of the income. Provision was also made for withdrawal from the Treasury of such sums as were needed when the restricted half of the income proved inadequate for the specific projects being financed. In reference to the unrestricted half of the income, it was provided that no apportionment be made to a town unless the town raised by taxation for fundamental school expenses the sum of \$1.50 for each inhabitant between the ages of five and fifteen years. The income was to be applied by local school committees as they saw fit for the defraying of school expenses, but investment in textbooks and the general apparatus scholasticus of the classroom was restricted to a maximum of 25% of the apportionment. The statutes making these provisions were the following:

Chap. 36, sec. 2. One half of the annual income of said fund shall be apportioned and distributed for the support of public schools without a specific appropriation. All money appropriated for other educational purposes, unless otherwise provided by the act appropriating the same, shall be paid from the other half of said income so long as it shall be sufficient for that purpose. If insufficient, the excess of such appropriations in any year shall be paid from any money in the treasury not otherwise appropriated. If the income in any year exceeds such appropriations for the year, the surplus shall be added to the principal of said fund.

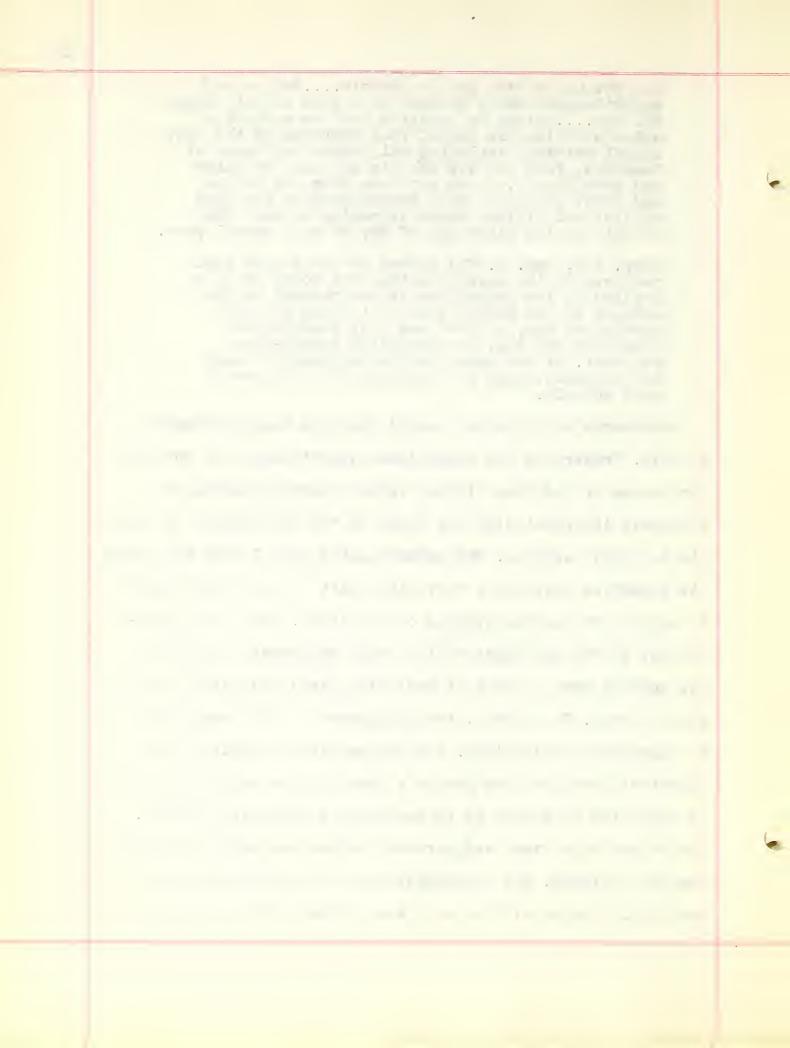
Sec. 3. The income of the school fund....shall be apportioned by the secretary and treasurer and on the tenth day of July be paid over by the treasurer to the treasurers of the several towns and cities

1The General Statutes of the Commonwealth of Massachusetts, relating to the Public Schools: to 1868, Boston, 1868.

for the use of the public schools.... But no such apportionment shall be made to a town or city which has not... raised by taxation for the support of schools during the school year embraced in the last annual returns, including only wages and board of teachers, fuel for the schools and care of fires and schoolrooms, a sum not less that one dollar and fifty cents for each person between the ages of five and fifteen years belonging to said town or city on the first day of May of said school year.

Chap. 208, see. 4. The income of the school fund received by the several cities and towns shall be applied by the school committees thereof to the support of the public schools therein but said committees may, if they see fit, appropriate therefrom any sum, not exceeding twenty-five per cent. of the same, to the purchase of books of reference, maps and apparatus for the use of said schools.

Amendments to the above quoted Statutes were introduced in 1874. Preserving the traditional apportionment of one half the income of the Fund without specific appropriation, and extremely important step was taken in the development of state aid to public schools. The Massachusetts School Fund has since its inception provided a very minor part of the funds needed to support the school systems of the state. Due in all probability to the smallness of the state endowment, the policy was entered upon in 1874 of assigning state aid only to the poorer towns. To be sure, the assignment in 1874 can hardly be regarded as scientific. Yet recognition was made of the important fact that the poorer a town is, the more the state is obligated to assist it in bearing its scholastic burden. The valuation of real and personal estate was made the basis for state grants. Any consideration of the intricacies of municipal finance will make it very evident that so simple



a signpost as property valuations is quite inadequate to guide a state government to a proper disposition of funds, whereby the needlest communities receive the most assistance. There are manifest inequalities in the method employed by Massachusetts in the assignment of state aid, a point which must be considered at some length later in this study, but some recognition should be made at this point of the fact that Massachusetts is entitled to credit for leadership in adopting a policy the undeniable merit of which is still be to recognized by a majority of the states.

The Statutes of 1874 divide the towns of the state into four classes, those in which real and personal property are evaluated below one million doblars, between one and three million dollars, between three and five million dollars and between five and ten million dollars. Specific apportionments are made to the first three classes on a scale graduated downwards, with the remainder divided among the towns of the fourth class on a basis of population. The Statutes specifically provided that

One-half of the annual income of the Massachusetts school fund shall be apportioned and distributed for the support of public schools without a specific appropriation, and in the manner following, to wit; Each town...whose valuation of real and personal estate as shown by the last returns thereof, does not exceed one million dollars, shall annually receive two hundred dollars; each town...whose valuation is more than one million and does not exceed three million dollars, shall receive one hundred and fifty dollars; and each town...whose valuation is more than three millions, and does not exceed five million dollars, shall receive one hundred dollars. The remainder of said

moiety, after the division above provided, shall be distributed to all towns and cities of the Common-wealth whose valuation does not exceed ten million dollars, in proportion to the number of persons belonging to each, between five and fifteen years of age.

A further refinement in the system of apportionment by need was introduced in the Public Statutes, as codified in 1892. The towns receiving state aid were then divided into five classes, a new class being created in the lower brackets for those towns with a valuation below one half a million dollard and the upper limit of the higher brackets being restricted to towns with a valuation of not more than three million dollars. For the four lower brackets, specific apportionments were ordained. The highest brackets, as before, were assigned the remainder of the apportionment on a pro rata basis, but in 1892 a new element was introduced in such pro rata assignment. The proportion of the total sum available as assigned to each town in the highest bracket was set at a fraction equal to the fractional part of the local taxes applied to school purposes. Specific appropriation was made as foblows.1

Sec. 1. One half of the annual income of the school fund of the Commonwealth shall be apportioned and distributed without a specific appropriation, for the support of public schools, and in the manner following, to wit; Every town.... whose valuation of real and personal estate... does not exceed one half million dollars, shall annually receive two hundred and seventy five dollars; every such town whose valuation is more

Public Statutes, op. cit., to 1892. Sec. 3, repealed by chap. 22
Acts of 1884 and by chap. 177 Acts of 1891.

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than one half million dollars and does not exceed one million dollars, shall receive two hundred dollars; and every such town whose valuation is more than one million dollars and does not exceed two million dollars shall receive one hundred dollars; and every such town whose valuation is more than two million dollars and does not exceed three million dollars shall receive fifty dollars. The remainder of said half shall be distributed to all towns whose valuation does not exceed three million dollars and whose annual tax rate for the support of public schools is not less than one sixth of their whole tax rate for the year, as follows: Every town whose public school tax is not less than one third of its whole tax shall receive a proportion of said remainder expressed by one third; every such town whose school tax is not less than one fourth of its whole tax shall receive a proportion expressed by one fourth; every such town whose school tax is not less than one fifth of its whole tax shall receive a proportion expressed by one fifth; every such town whose school tax is not less than one sixth of its whole tax shall receive a proportion expressed by one sixth. All money appropriated for other educational purposes, unless otherwise specially provided, shall be paid from the other half of said income. If the income in any year exceeds such appropriations, the surplus shall be added to the principal of such fund.

The method of apportionment was again modified in 1903.

The tendency to be observed in the Statutes in force in 1892 towards a restriction of state aid to the poorer towns was continued, as towns in the highest brackets were not assigned aid if their valuation exceeded \$2,500,000. The specific sums assigned towns in the lower brackets were increased, with a special provision of \$75 additional for towns evaluated at not more than \$500,000 whose tax rate was \$18 or more.

The following provisions were made:

Sec. 1. The annual income of the Massachusetts School Fund shall, without specific appropriation,

1 Massachusetts Acts of 1903, chap. 456.

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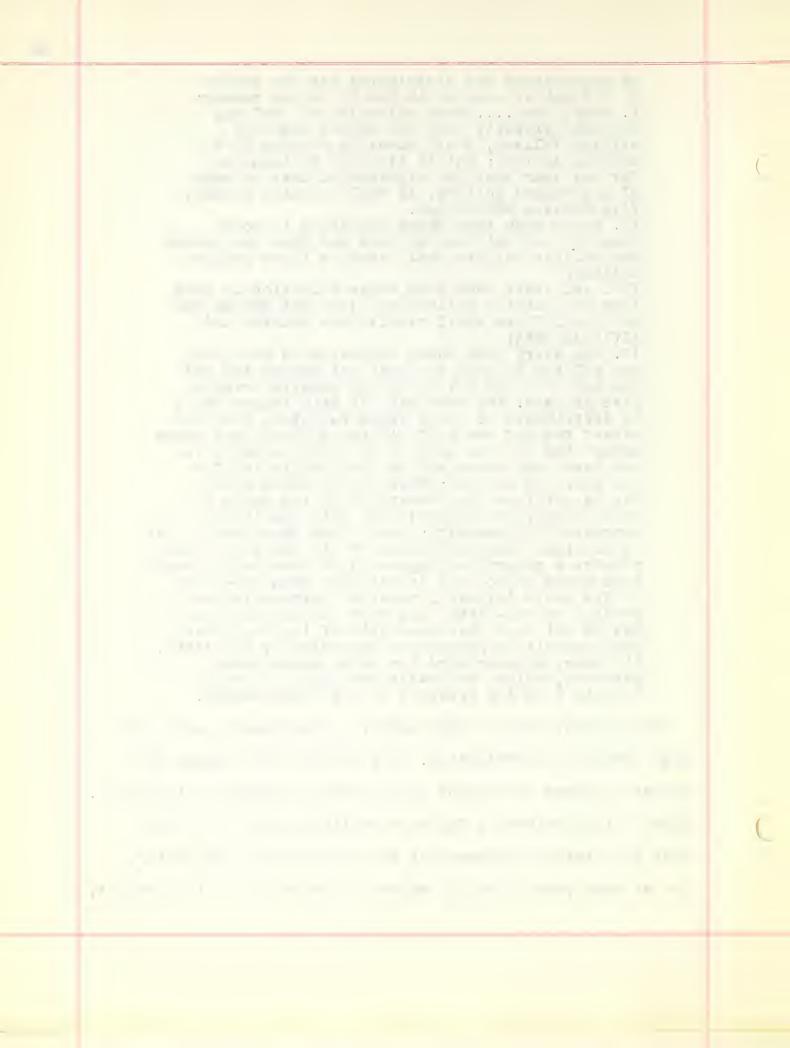
L. Every town...whose valuation of real and personal property does not exceed one-half million dollars, shall annually receive five hundred dollars; but if its rate of taxation for any year shall be eighteen dollars or more of a thousand dollars, it shall receive seventy five dollars additional.

II. Every such town whose valuation is more than one half million dollars and does not exceed one million dollars shall receive three hundred dollars:

III. And every such town whose valuation is more than one million dollars and does not exceed two million dollars shall receive one hundred and fifty dollars;

IV. And every town whose valuation is more than two million dollars and does not exceed two and one half million dollars shall receive seventy five dollars. The remainder of said income shall be distributed to towns whose valuation does not exceed two and one half million dollars, and whose annual tax for the support of public schools is not less than one-sixth of their whole tax for the year, as follows: Every town, whose school tax is not less than one-third of its whole tax shall receive a proportion of said remainder, expressed by one-third; every town whose school tax is not less than one-fourth of its whole tax shall receive a proportion expressed by one-fourth; every town whose school tax is not less than one-fifth of its whole tax shall receive a proportion expressed by one-fifth; and every town whose school tax is mot less than one-sixth of its whole tax shall receive a proportion expressed by one-sixth. All money appropriated for other educational purposes, unless otherwise provided for, shall be paid from the treasury of the commonwealth.

The General Laws of 1921 codify a considerably more complex method of distribution. In 1919 the state income tax became a source of revenue to the school systems of the state. Since this furnished a far more prolific source of income than the limited resources of the School Fund, the latter, for so many years the only source of state aid to the schools,



then assumed a subordinate position. This fact was given official cognizance by law, when it was decreed in 1919, that the income of the School Fund be supplementary to that derived for school purposes from the income tax. The Laws of 1921 still retain assessors' valuations as a basis for the assignment of state aid from the School Fund, but a new element called "assured minimum" enters the picture. Assured minimum may be defined as the sum whereby local expenditures for definite school purposes exceed income derived from the income tax and tuition charges assessed non-resident pupils. The precise definition of assured minimum, as legally established. is as follows: 1

'Assured minimum' shall mean the amount by which the sum of the following items of town expenditure for the last preceding town fiscal year exceeded the amount received by the town during said year under part I (i.e., from the income tax) and for the tuition of non-resident pupils, including state wards:

(1). Salaries paid to full time principals and teachers, not including any amounts by which any such salary was at a rate in excess of eight hundred and fifty dollars.

(2). Two hundred and fifty dollars for each teaching position held by a full time principal or teacher.

(3). Expenditures for transportation of pupils

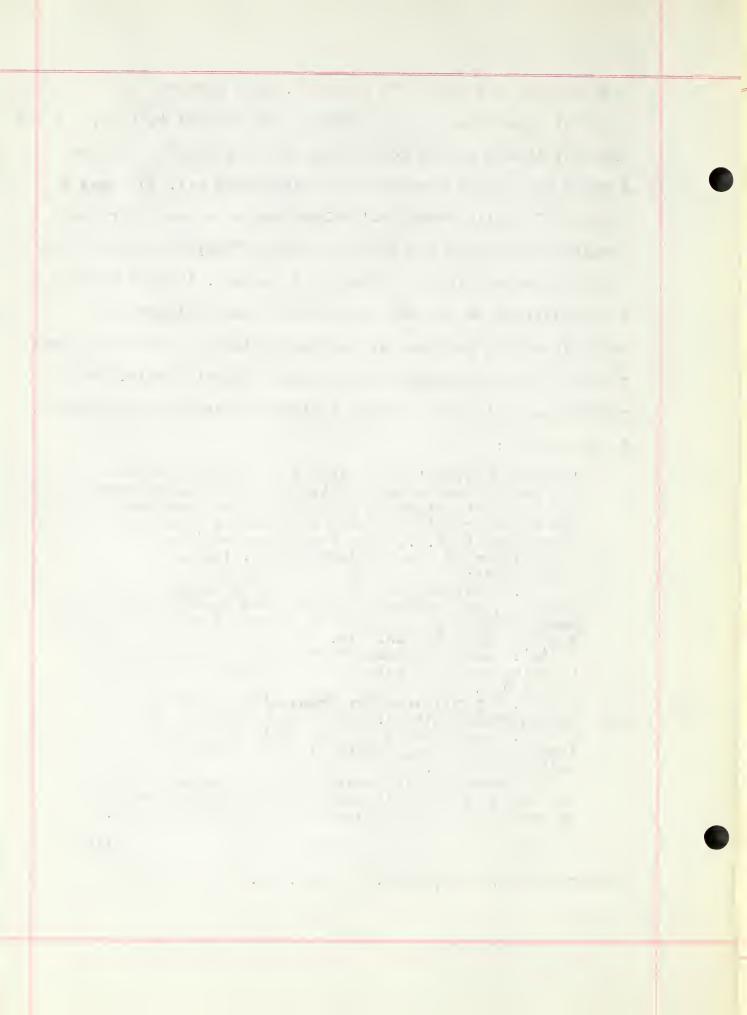
to the local schools.

(4). Expenditures for the tuition in, and transportation to, public elementary schools in adjoining towns.

In computing the assured minimum, expenditures for state aided vocational or continuation schools or Americanization classes shall not be included.

* * *

¹ General Laws, 1921, chap. 70, sec. 11.



* * *

The General Laws of 1921 divide the towns of the state into three groups, those evaluated at less than \$500,000, those in the \$500,000 to \$1,000,000 class and those with assessed valuations of over \$1,000,000 but less than \$2,500,000. In determining the aid to be granted the towns in each class, recourse is had to the convenient basis of the mill tax, legally expressed as a tax of five, seven and one half, and ten dollars per thousand. State aid from the School Fund is given on a basis of the relationship existing between the assured minimum and a mill tax of varying degrees. It is noteworthy that care is first taken of towns in the less than \$500,000 group, and it is tacitly assumed that the income of the Fund will always be adequate to fulfill their requirements. Provision is made for inadequacy of funds for the towns of the middle valuation group on a basis of reduced, proportionate payments and for towns in the highest valuation group by recourse to the income tax and to reduced, proportionate payments.

The Statutes of 1921 providing for the dispensation of state aid are the following: 1

Sec. 12. A town of less than five hundred thousand dollars valuation shall receive one half of its assured minimum if said minimum exceeds the sum that would have accrued therein from a tax of ten dollars per thousand dollars valuation. If said minimum is less than the proceeds of such a tax but more than would have been the proceeds of a tax of five dollars per thousand, the town shall receive the amount by which said minimum exceeds

General Laws, 1921, chap. 70.

the proceeds of such a five dollar tax.

Sec. 13. A town of lass than one million dollars but not less than five hundred thousand dollars valuation shall be allotted one third of its assured minimum if said minimum exceeds the sum that would have accrued therein from a tax of seven and one half dollars per thousand dollars valuation. If said minimum is less than the proceeds of such a tax, but more than that would have been the proceeds of a tax of five dollars per thousand, the town shall be allotted the amount by which said minimum exceeds the proceeds of such a five dollar tax. Said allot ment shall be paid in full if their sum does not exceed the amount available after making the payments provided for by the preceding section, otherwise they shall be proportionally reduced and paid.

Sec. 14. A town of less than two million five hundred thousand dollars but not less than one million dollars valuation, shall be allotted one half the amount by which its assured minimum exceeds the amount that would have accrued therein from a tax of five dollars per thousand dollars valuation. If the total allotment under this section exceeds the amount available after the distribution provided for by the two preceding sections, the state treasurer shall add to said amount from the proceeds of the income tax without appropriation, the amount required, but not exceeding two hundred thousand dollars in any one year. If said addition does not permit the payment of said allotmentsin full, they shall be proportionally reduced and paid.

Sec. 15. If any year there is a balance from the income of said fund after the distribution provided for by the three preceding sections, the same shall be divided among all towns receiving payment thereunder in proportion to said payments.

In view of the elaborate method of distribution provided for in the sections quoted above, a table has been prepared presenting the provisions quoted in outline form. Table III presents the allotment of the income of the School Fund according to the Laws of 1921, dividing the towns by valua-

tion and subdividing them on a basis of the relation of their assured minimums to the varying mill taxes provided as a guide for the three valuation groups.

In 1926 fundamental changes in the basis of assigned state aid were introduced. The concept of the assured minimum was somewhat modified. Salaries of full time principals and teach ers were included among liabilities up to \$1100 instead of the \$850 level hitherto obtaining. Towns of over five hundred families which were exempted from the requirements of supporting a high school were permitted to include the expenditure for education in high schools in other towns. However, the most important change came in the method employed in grouping the towns. Traditionally, towns had been grouped by valuation, with a steady tendency towards lowering the upper range at which a town might receive state aid. In 1926 this was entirely changed. At the present time (1933), the actual average dollar and cent contribution of the town to the state tax is made the deciding factor as to its eligibility for state aid. No help is provided if the town paid a share of the state tax greater than \$.50 per \$1000 tax. If the town paid not less than \$.40 nor more than \$.50 per \$1000 state tax, one half of the amount by which the assured minimum exceeds the return of a five mill tax is tendered to it. But this grant is also hedged about by restrictions. To be eligible for such aid, the town valuation divided by average school attendance must yield a quotient not more than 75% of a similar quotient for

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Table III

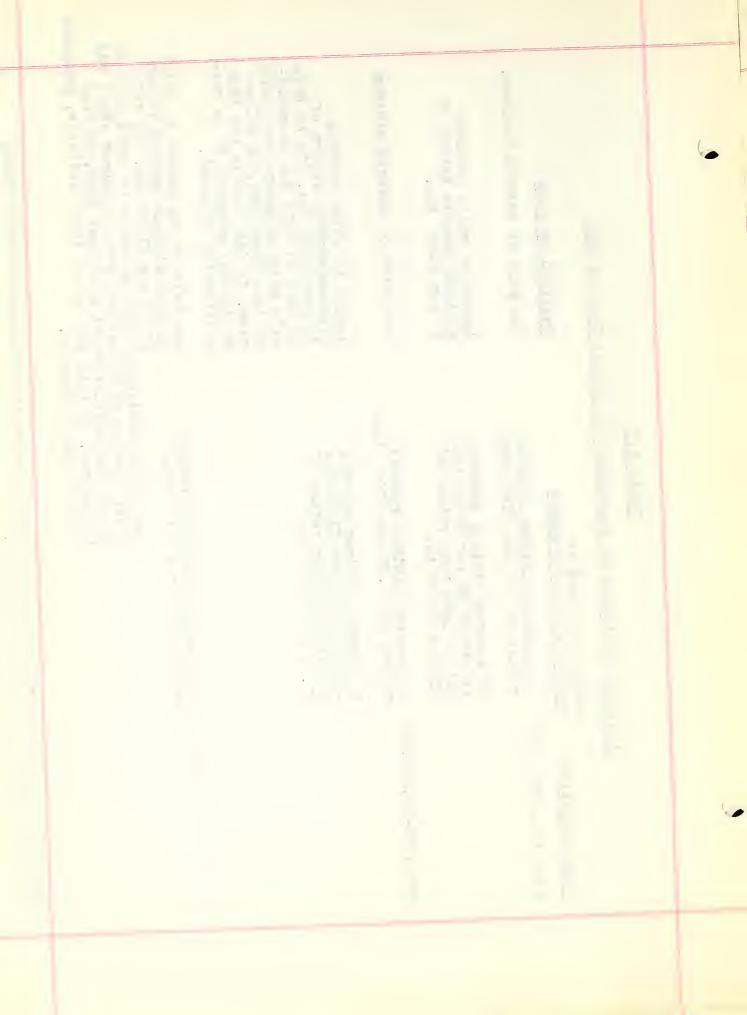
Allotment of Income of Massachusetts School Fund in 1921

Received by town	One half of assured minimum.	Amount by which assured minimum exceeds teturn of \$5 per \$1000 tax.	One third of assured minimum.	Amount by which assured minimum exceeds return of \$\\ \frac{1}{6}\$ per \$\\ \\$1000 tax. (To be paid in full if full sum is available after payments due towns of less than \$\\ \\$500,000 valuation. If full sum is not then available, payments to be proportionally reduced).	One half of the amount by which assured minimum exceeds return
Assured minimum in relation to tax revenue	If assured minimum exceeds return of \$10 per \$1000 tax	If assured minimum exceeds return of \$5 per \$1000 tax but is less than return of \$10 per \$1000 tax	If assured minimum exceeds return of \$7.50 per \$1000 tax	If assured minimum exceeds return of \$5 per \$1000 tax but is less than return of \$7.50 per \$1000 tax	o If assured minimum exceeds return of \$5 per \$1000 tax
Town valuation r	Less than \$500,000		\$500,000-\$1,000,000		#1,000,000,€2,500,000

income tax. If full sum is not then available, payments proportionally reduced. sum is not available after payments to towns of both lower classes of valuation, state teasurer shall add assured minimum exceeds return of \$5 per \$1000 tax. (If full to the sum available not more than \$200,000 from

which

Any funds available after all above payments to be divided proportionally among all towns eligible to receive payments.

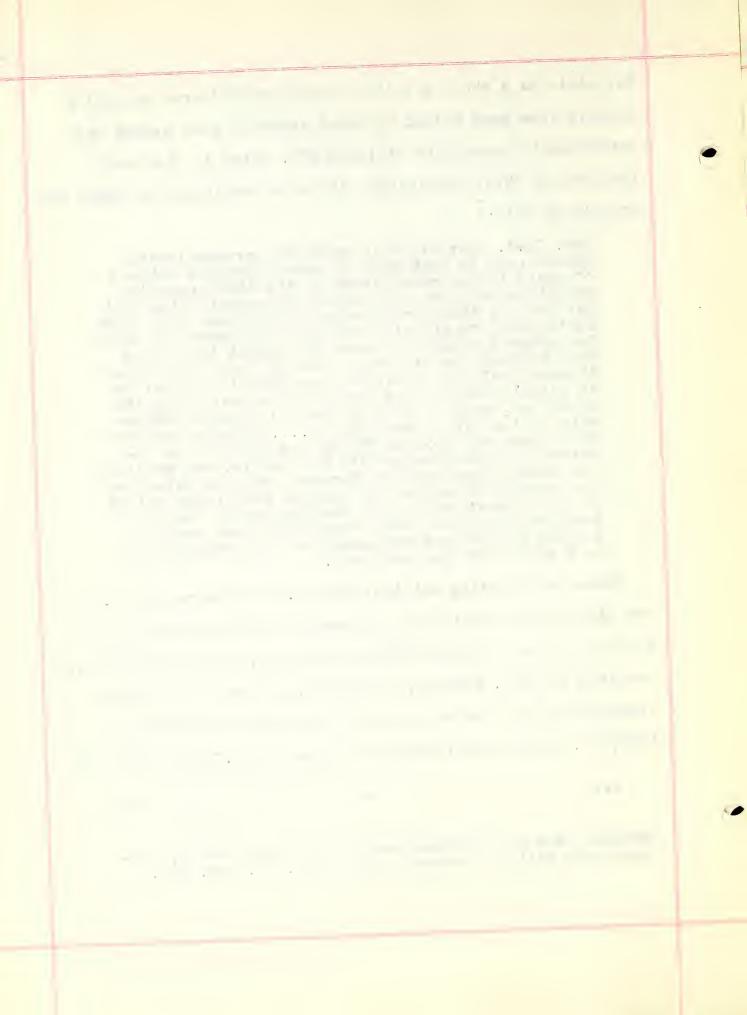


the state as a whole and its average expenditures on public schools from sums raised by local taxation must exceed the commonwealth average by at least 25%. Owing to the novel features of these provisions, its seems advisable to quote the Statute in full:

Sec. 14-A. Every town in which the proportionate amount paid by such town of every thousand dollars of state tax as established by the last preceding valuation made for the purpose of apportioning such tax is more than forty cents but not more than fifty cents shall be allotted one half the amount by which its assured minimum exceeds the amound that would have accrued therein from a tax of five dollars per thousand dollars valuation, provided its valuation as established for the purpose of apportioning the state tax, when divided by the net average membership of its public day schools ... yields a quotient which does not exceeds 75% of the quotient so obtained for the commonwealth as a whole, and provided its expenditures per one thousand dollars valuation for support of public day schools from funds raised by local taxation for its last preceding fiscal year exceeds by at least twenty five per cent the average of such expenditures for the commonwealth as a whole for the same year.

Towns contributing not less than \$.16 nor more than \$.40 per \$1000 of the state tax now receive the same state aid on the same terms as towns evaluated from \$1,000,000 to #2,500,000 received in 1921. However, the drawing power of the state treasurer on the income tax has been raised from \$200,000 to \$250,000. Towns contributing not less than \$.08 nor more than

General Laws of the Commonwealth of Massachusetts, Tercentenary Edition, Boston, 1931, chap. 70, sec. 14A.



\$.16 per \$1000 of the state tax receive the aid formerly accorded towns evaluated from \$500,000 to \$1,000,000, while towns whose tax contribution is less than \$.08 per \$1000 of state tax receive the benefits formerly granted towns of less than \$500,000 valuation. A tabular arrangement of the legal provisions contained in Chap. 70 of the General Laws of 1932 is given in Table IV.

4.

Through the growing complexity of the legal provisions for the assignment of the interest of the Massachusetts School Fund, several tendencies are evident. In the first place, one is tempted to find in the rigid restrictions imposed on its growth, something characteristic of Puritan New England. The settlers of the Bay State were sturdy and often uncompromising individualists. The individualism that was the corner stone of their religion extended into their community life as well. Each town in colonial Massachusetts was a self-contained unit, a New World city-state, self-reganized, and self-governed. Colony organization and later state organization were effected only with the most scrupulous preservation of town rights. Only may safely say that nowhere in America has the town as a unit meant more than in Massachusetts.

Education was vital in the Puritan concept of life, a very real and fundamental duty of the parent. The exigencies of

daily existence made it a duty that had to be transmitted to qualified representatives, butthe conscientious Puritan saw to it that his representatives were worthy of their trust. Obviously, the smaller the scale on which education was organized, the more successful personal supervision of it might be. Consequently the towns of Massachusetts were loath to part with their educational prerogatives to the state government. As the need for some state aid to the poorer towns became evident, it was inevitable that some permanent school fund be established. But the temper of the towns of Massachusetts made it equally inevitable that such a fund be rigidly restricted. The underlying psychology is perfectly simple and ethically most admirable. When the state assumes the burden of the community, community interest lags. The more the Commonwealth of Massachusetts assume the burden of supporting education, the less the individual towns would feel their duty, the weaker would local supervision become, the less diligently would the meople of Massachusetts regulate the delegated function of educating their children. The fear of state control of education has always been a potent factor in the history of education in Massachusetts; it still is, and should be, a force to be reckoned with. The fancy may be whimsical, yet one is tempted to see in the attitude of the Bay State towards its school fund, a lorn vestige of the old Renaissance spirit, that has suffered a most curious sea-change.

The second tendency one may dismiss, for the present, with a brief mention. As the available funds have grown proportionally smaller and smaller, it has been necessary to restrict the grants from the School Fund to the smallest and poorest towns. It has been characteristic of Massachusetts that she has endeavoured to apportion state aid with an eye to the needs of specific groups of towns. It will be necessary to revert to this important point later, but the second and, at present, far more important source of state aid to Massachusetts school systems—the income tax—must now engage our attention.

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1 1n 1933	Received by town	One half of assured minimum.	Amount by which assured minimum exceeds return \$5 per \$1000 tax.	One third of assured minimum.	Amount by which assured minimum exceeds return of \$5 per \$1000 tax(If full sum is not available, payments to be proportionally reduced).	One half of the amount by which the assured minimum exceeds return of \$5 per \$1000 tax. (If full sum is
Income of Massachusetts School Fund in 1933	Assured minimum in relation to tax revenue	If assured minimum exceeds return of \$10 per \$1000 tax	If assured minimum exceeds return of \$5 per \$1000 tax but is less than return of \$100 tax	If assured minimum exceeds return of \$7.50 per \$1000 tax	If assured minimum exceeds return of \$5 per \$1000 tax but is less than return of \$7.50 per \$1000 tax	If assured minimum exceeds return of \$5 per \$1000 tax
Allotment of	Town's share of state tax	Towns paying less than \$.08 per \$1000 state tax		Towns paying not less than \$.08 nor more than \$.16 per \$1000 state tax		Towns paying not less than \$.16 nor more than \$.40 per \$1000 state tax

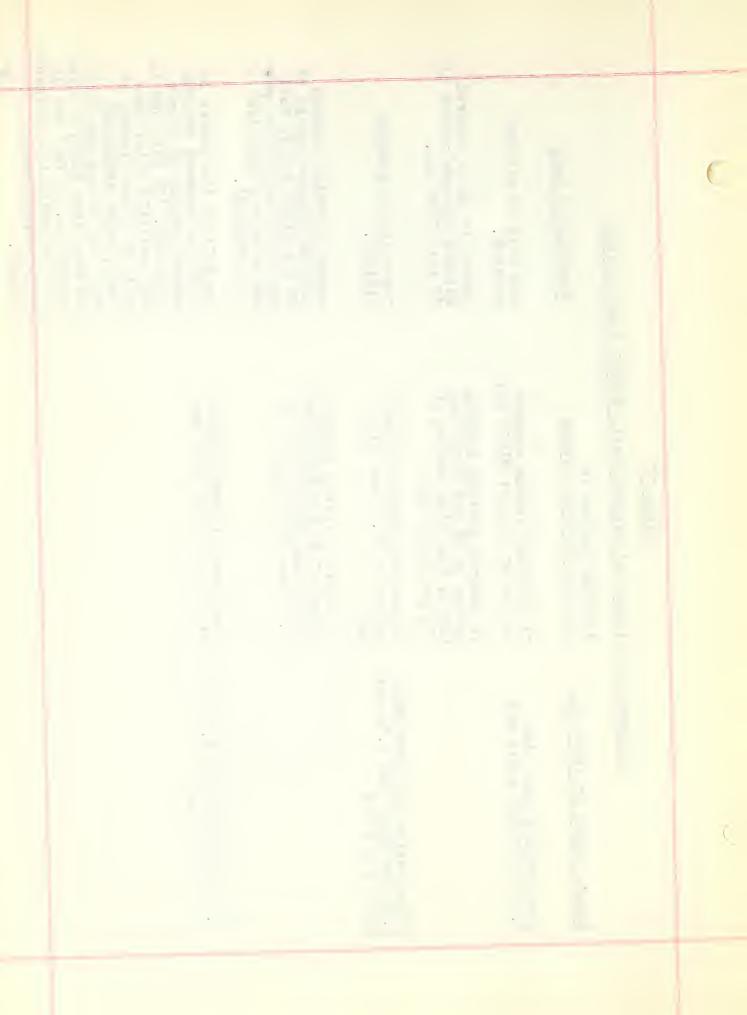


Table IV (cont.)

Assured minimum in relation to tax revenue

If assured minimum exceeds return of \$5 per \$1000 tax

Towns paying not less than \$.40 nor more than \$.50 per \$1000, state tax

Town's share of state tax

Received by town

One half of the amount by which the assured minimum exceeds return of \$5 per \$1000 tax. (Provided town valuation divided by net average membership of public day schools yields quotient not more than 75% of quotient so obtained for state as a whole and provided expenditures per \$1000 valuation from funds raised

by local taxation exceeds by at least 25% the average of

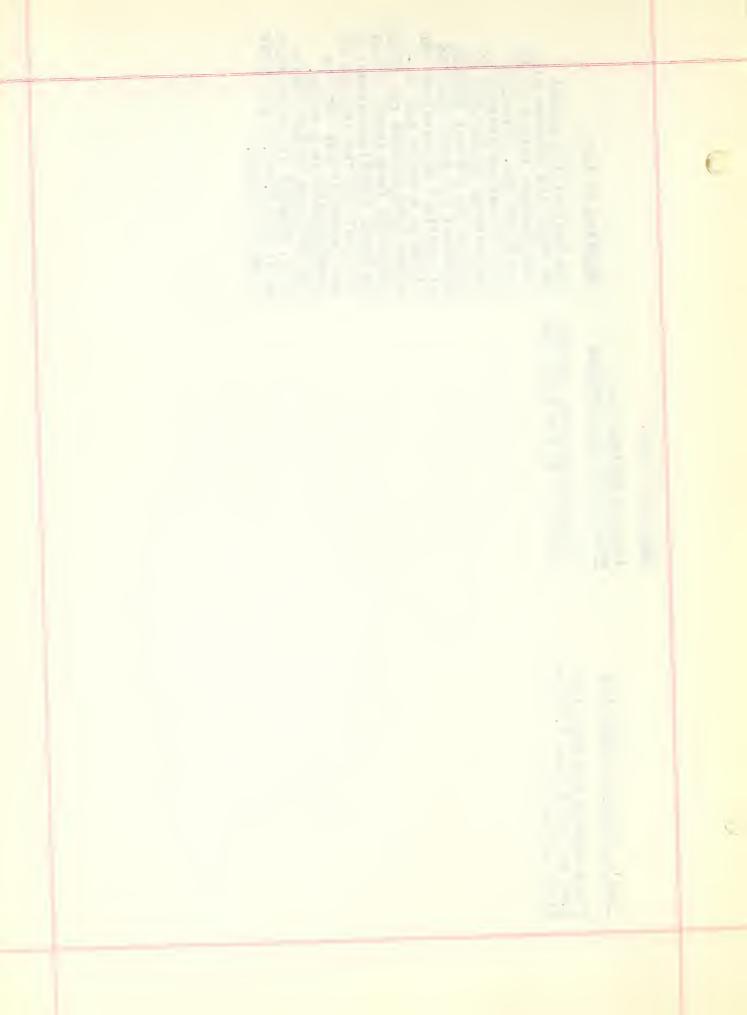
such expenditures for the

able, payment to be provided as in the \$.16-.40 per \$1000

class of towns).

(If full sum is not avail-

commonwealth as a whole.



CHAPTER III

THE GENERAL SCHOOL FUND

1.

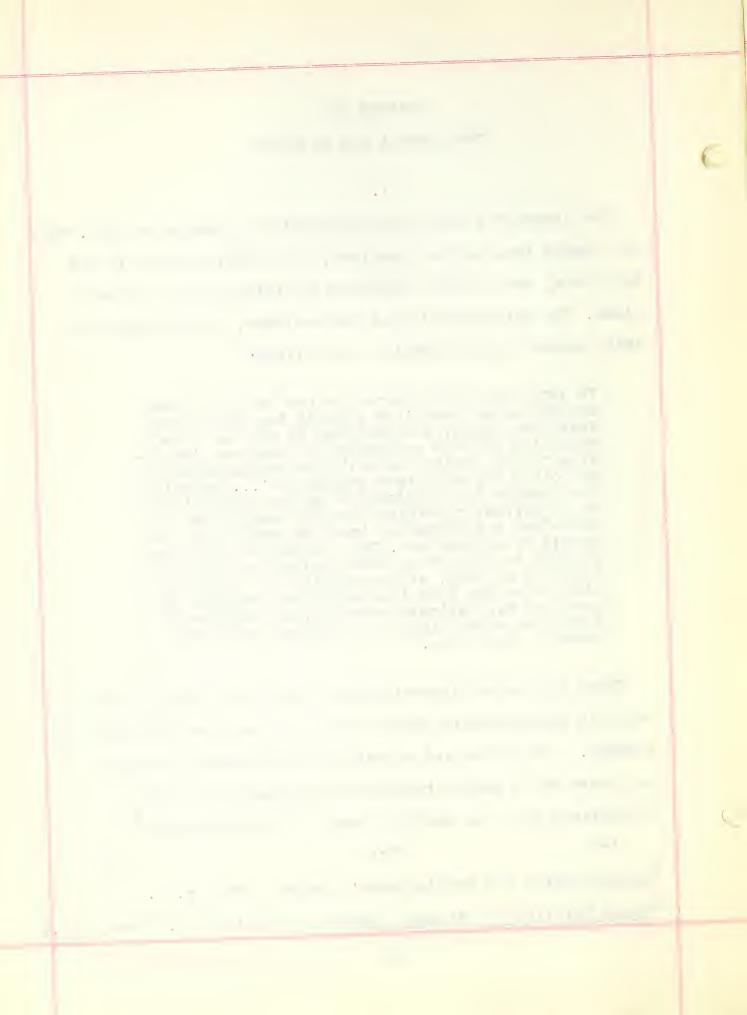
The income tax law of Massachusetts was passed in 1916. Thus the income tax, as now conceived, is a modern device in the Bay State, but it has a background stretching into colonial times. The Massachusetts Tax Commissioner, in his Report for 1917, summed up the situation as follows:

In 1634 there was enacted in the colony of Massachusetts Eay the first general tax law in any American colony, and included in this act was a provision for the assessment of each man 'according to his estate and with the consideration of all other his abilityes whatsoever' ... Gradually the faculty tax developed from its original form to an express provision for the taxation of income from a profession, trade or employment in excess of a given sum. This exemption was fixed at \$600 in the act of 1849, raised to \$1000 in 1866 and in 1873, as the result of a compromise with those who were then making an endeavor to have the tax entirely repealed, was changed to \$2000, at which figure it remained until the present income tax.

There was marked dissatisfaction with the taxing system in vogue in Massachusetts during the latter part of the nineteenth century. Tax rates and valuations were greatly increased, and there was a marked tendency on the part of wealth to concentrate in a few wealthy towns. "The percentage

Massachusetts Tax Commissioner's Report, 1917, p. 5.

State Taxation of Personal Incomes, Columbia Univ. Press, N.Y.,



which the personal property assessments formed of the total local assessments declined from 36.0 in 1850 to 21.8 in 1907", states Alzada Comstock. In 1873 there was a strong movement launched to abolish the income tax and in 1875 it was reported that only a few communities levied the income tax and that its return was small. The income tax was investigated several times during the nineties, but each time a report favorable to the tax was returned.

The Laws of Massachusetts, 1909, in reference to the taxation of personal estates, provide as follows:

The income from an annuity and the excess above \$2000 of the income from a profession, trade or employment accruing to the person to be taxed during the year ending on the first day of April of the year in which the tax is assessed. Income derived from property subject to taxation shall not be taxed.

Obviously no provisions were made for a rate of taxation, the local taxing units applied the tax according to their own desires, returns were small and irregular.

Precedent for a state-wide income tax was established in 1911 when Wisconsin tried the venture and inaugurated a state-wide income tax. The availability of incomes for taxing purposes was becoming more evident to economists. In 1915 the Legislature passed a constitutional amendment providing for the levying of a proportional income tax, but lacking the provision designed to prevent double taxation or source of income and income itself.

¹ Chap. 490, Part I, sec. 4.



In 1916 a bill was passed establishing an income tax. Four kinds of income are taxable by law. A tax of six pr/cent was placed, on intangibles, one and one half per cent on annuities, three per cent on dealers in intangibles, and one and one half per cent on income from employment. In the last group, a basic exemption of \$2000 is provided. The provisions of the income tax law of 1916 are tabulated in Table V, the source of income, the rate of taxation and the extent and nature of exemptions being indicated.

2.

In 1916, Massachusetts adopted the income tax. Three years later provisions were made for the devoting of a portion of its receipts to the partial maintainence of public school systems. The Fund thus created is called officially the General School Fund. Its creation may be regarded as a recognition of the need for a more extensive state aid and responsibility for the public school systems of the state and the recognition of the fact that traditional methods of support were proving inadequate.

In 1918 a Special Commission on Education was appointed by the Governor to investigate the local school systems of the State. The Commission produced two bills, the first creating the General School Fund and the other effecting revisions in the method whereby the interest of the Massachusetts School Fund should be dispersed. In 1919 the two

the second of the latest terminal and the second of .

TABLE V

INCOME TAX LAW OF 1916

Source of Income	Rate of Taxation	Exemption
Income from intangibles	89	\$300 for persons whose from all sources is \$600.
Income from annuities	12 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	\$300 for persons whose from all sources is \$\$600.
Net gains from dealings in intangibles (applied to professional dealers, speculators and private		

se income less than

less than

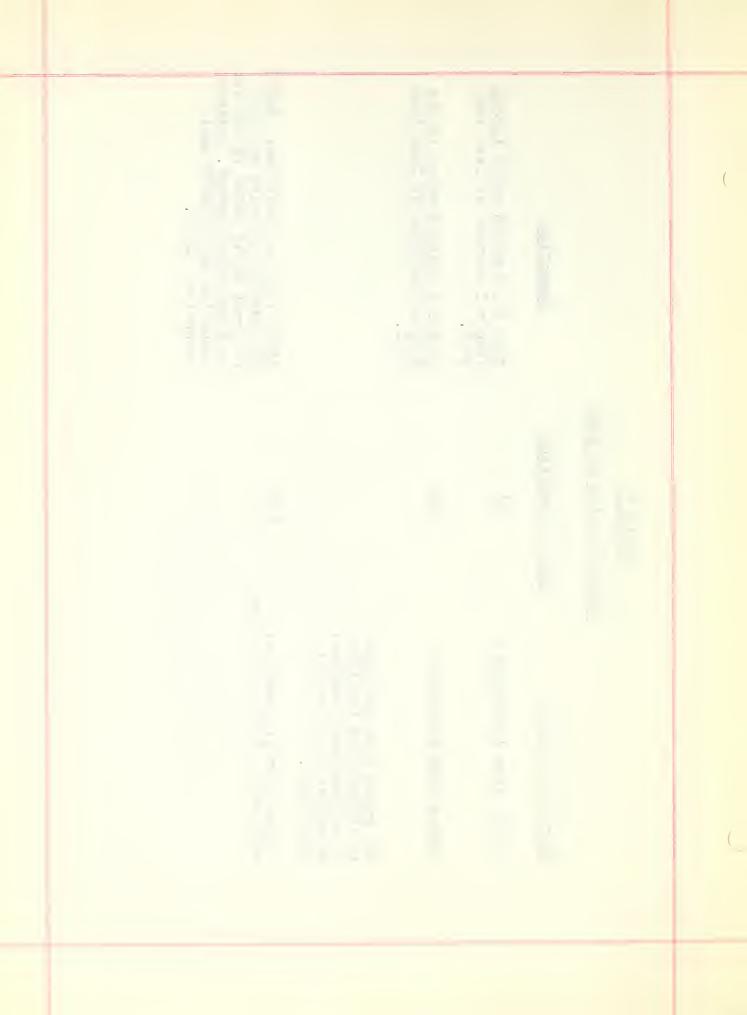
\$2000 for the individual, \$2500 for husband and wife and \$250 for each child under 18 and for each dependent parent. Maximum exemption above \$2000 basic exemption, \$1000.

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Income from professions, employment, trade or business

employment,

investors).



bills were combined into one measure which was called, "An Act to provide for the distribution of a portion of the income tax and of the income of the Massachusetts School Fund", for the purpose of improving the public schools. The changes in the administration of the Massachusetts School Fund income codified in the law of 1921 have already been considered, and therefore we may now restrict our attention to the provisions of the first part of the bill.

Provision is made² for the payment on or before November 15, of a share of the income tax to each of the several towns as partial reimbursement of salaries paid to teachers, supervisors, principals, assistant superintendents and superintendents.

For the payment of such employees giving full time service, the following provisions are made: ³

Sec. 2. For every such person employed for full time service for the entire school year, such reimbursement shall be as follows:
(1). Two hundred dollars for every person so employed whom received as salary not less than eight hundred and fifty dollars and who is a graduate of an approved normal school or college and had taught on full time at least two years previous to said year or whose preparation and teaching experience are accepted as equivalent.
(2). One hundred and fifty dollars for every person so employed not included in paragraph (1) who received as salary not less than seven hundred

Massachusetts General Laws relating to Education, 1921, pp. 23-28, chap. 70.

²General Laws of the Commonwealth of Massachusetts, 1921, chap. 70, part I.

³General Laws, ibid., chap. 70, parttl, sec. 2.

. .

and fifty dollars and (a) has satisfactorily completed one year of professional training in an approved normal school or teachers' training school, and had taught on full time at least three years previous to said year; or (b) is a graduate of an approved normal school or college and had taught on full time for at least one year previous to said year; or (c) whose preparation and experience are accepted as equivalent.

(3). One hundred dollars for every person so employed and not included in paragraphs (1) or (2) who received as salary not less than six hundred and fifty dollars.

Provisions are made in section 3 for the proportional remuneration of people employed for less than full time service. No reimbursement is allowed, however, on account of salaries paid to teachers employed in state aided vocational schools or departments, in continuation schools or Americanization classes.

Thus the Laws of 1921 provide some state aid from the General Fund for all the towns of the state. However, just as an effort has steadily been made in the administration of the School Fund to administer the aid in proportion to the individual town's need, the effort has also been made to achieve the same laudable end in the assignment of funds from the General Fund. Once more use is made of the town's valuation as a basis for classification, with a quotient achieved by dividing local valuation by net average membership of the public day schools. The classification of towns by such a quotient is as follows:

General Laws, 1921, chap. 70, Part I.

. Sec. 4. Every town whose valuation
...when divided by the net average
membership of its public day schools
...yields a quotient less than forty
five hundred dollars shall, for each
person for whom it received reimbursement under section 2, receive supplementary reimbursement as follows:

(1). Three hundred dollars if said quotient is less than two thousand.

(2). Two hundred and fifty dollars if said quotient is less than twenty five hundred but not less than two thousand.

(3). Two hundred dollars is said quotient is less than three thousand but not less

than twenty five hundred.

(4). One hundred and fifty dollars if said quotient is less than thirty five hundred but not less than three thousand.

(5). One hundred dollars if said quotient is less than four thousand, but not less

than thirty five hundred.

(6). Fifty dol ars is said quotient is less than forty five hundr d but not less than four thousand.

For every person for whom any such town received proportionate reimbursement under section three it shall in each case receive as supplementary reimbursement the same proportion of the sums named herein for full time service.

As sections 2 and 4 of the Laws of 1921 constitute the basis for the assignment of the General Fund, it appears desirable to present them in tabular form. Table VI contains a summary of section 2, chapter 70, of the Laws of 1921, relating to the aid given all towns as partial reimbursement of the salaries paid to full time teachers and educational executives. The aid given has been categorized primarily by the basic salaries which such subdivisions as are made necessary by specific requirements of professional training and teaching experience. The aid given for each eligible employee in each

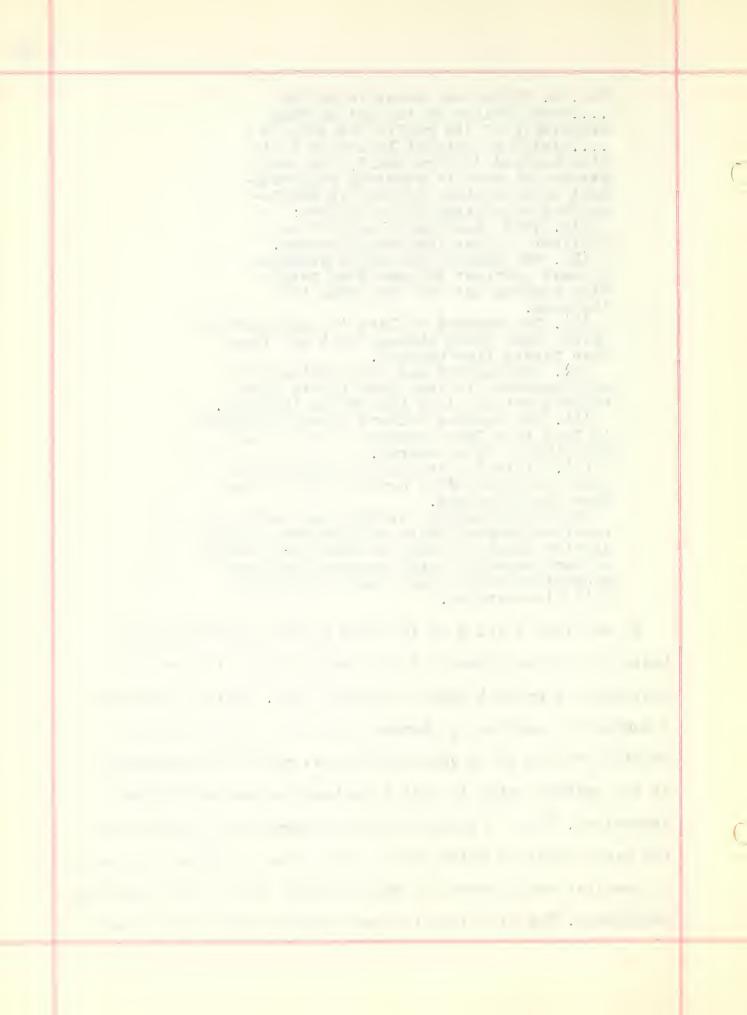


Table VI

Aid given all Towns for Full Time Teachers and Executives

Basic salary		Requirements	Sum given
Not less than \$850 (\$950 after 1921)		Graduate approved college or normal school with two years teaching experience or equivalent.	\$\$00
Not less than \$750 (\$850 after 1921)		a. One year professional training and three years teaching experience	150
	(or)	b. Graduate approved college or normal school and one year teaching experience	
	(or)	c. Equivalent preparation and experience.	
Not less than \$650 (\$750 after 1921)		Employment on full time basis	000
None stipulated		All persons employed on full time basis not included above	000

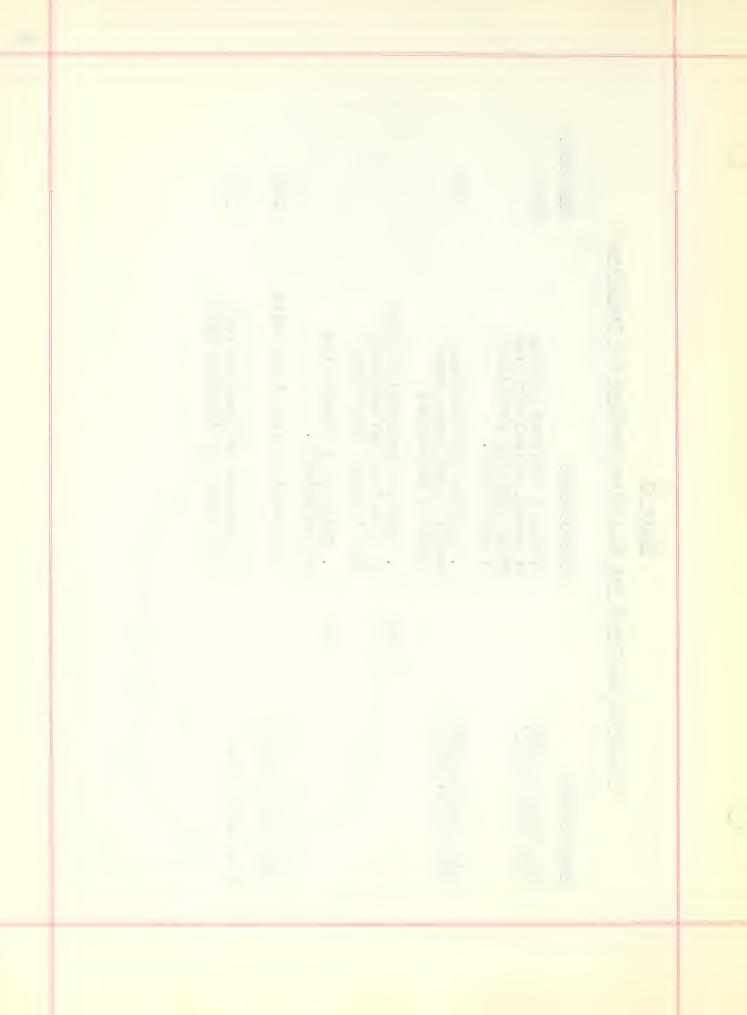


Table VII

Additional Aid Furnished Certain Towns

Quotient	Sum given
Less than 2000	\$300
2500-2000	250
3000-2500	200
3500-3000	150
4000-3500	100
4500-4000	50

category is also stated.

Table VII tabulates the reimbursement paid for each eligible employee in certain towns and subject to certain conditions stipulated in section 4, chapter 70 of the Laws of 1921.

As already seen, this section recognizes and continues the traditional policy of meting out state aid according to the needs of the towns. In order to provide added assistance for the needier towns, special categories were established based on quotients obtained by dividing the valuation of the town by the net average membership of the public day schools.

Aid was only given when the resultant quotient was less than 4500. To all towns eligible to receive such additional aid, a sum was extended, determined in amount by quotient groups, to all employees for whom reimbursement might be claimed under section 2. (See Table VI).

The Act of 1919 was amended in the important sections 2 and 4 by chapter 421, Acts of 1921. The Act of 1921, as codified in the General Laws of 1932, raised by one hundred dollars each the salaries used as a basis for General Fund disbursements in section 2, chapter 70 of the Laws of 1921. Thus, two hundred dollars was given for each eligible employee receiving not less than \$950 a year (formerly \$850), one hundred and fifty dollars for each eligible employee receiving not less than \$850 (formerly \$750) and one hundred dollars for each eligible employee receiving not less than \$750 (formerly \$650). The training and experience requirements were not changed (compare Table VI).

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A change of larger implications, however, was introduced into Section 4. As has been seen, the traditional basis used for the assignment of aid to the needier towns has been the town valuation. Gradually the realization has been reached that town valuation furnishes too crude a vardstick for the determining of actual need. As has been seen, in 1926, town valuation was discontinued as a basis for assigning the revenue of the School Fund. At the same time a method of determining quotients was introduced into Section 4 (Acts of 1926m chap. 333). The proportionate amount paid by each town of every million dollars of state tax was divided by the net average membership of the public day schools. When the quotient yielded was less than ninety-five cents, supplementary reimbursement was granted. The law in question now (1933) reads as follows:

Sec. 4. Every town in which the proportionate amount paid by such town of every million dollars of state tax as established by the last preceding valuation made for the purpose of apportioning such tax, when divided by the net average membership of its public day schools..., yields a quotient less than ninety-fove cents shall, for each person for whom it receives supplementary reimbursement under section two, receive supplementary reimbursement as follows:

(1). Two hundred and fifty dollars if said quotient is less than sixty cents.

(2). Two hundred dollars is said quotient is less than sixty-fve cents but not less than sixty cents.

(3). One hundred and fifty adollars if said quotient is less than seventy cents but not less

than sixty-five cents.

(4). One hundred and twenty five dollars if said quotient is less than eighty cents but not less than seventy cents.

(5). One hundred dollars if said quotient is

.

less than eighty-five cents but not less than eighty cents.

(6). Fifty dollars if said quotient is less than ninety-five cents but not less than eighty-five cents.

For each person for whom any such town receives proportionate reimbursement under section three, it shall in each case receive as supplementary reimbursement the same proportion of the sums named herein for full time service. No town shall receive under this section in any year more than fifteen thousand dollars.

One fundamental difference exists between the Massachusetts School Fund and the General School Fund. The former is a permanent fund with a legally restricted principal maintained in perpetuo, of which the income alone is available for disbursement. The General School Fund is, in a sense, a misnomer. It is not a Fund in any strict sense of the word, but merely a sum set aside each year from the income tax returns for school purposes, and disbursed according to Chapter 70 Part I of the Laws of 1932. While it is not our purpose at this point to consider in any detail the specific expenditure of the General Fund, it is noteworthy that it proved successful from the start. A sum of \$4,000,000 annually was anticipated as needed, and it was realized practically from the start. Quoting a statement furnished by Irving L. Shaw, Massachusetts Income Tax Director, Dr. Swift states that salary reimbursements from the General Fund in 1919 amounted to \$3,145,502, in 1920 to \$3,854,258 and in 1921 to \$4,165,386. Of even broader significance is that fact that

Public School Finance in Massachusetts, op. cit., p. 28.

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with the establishment of the General Fund, state aid increased from a sum equal to approximately 2% of the total public school expenditures to over 12%.



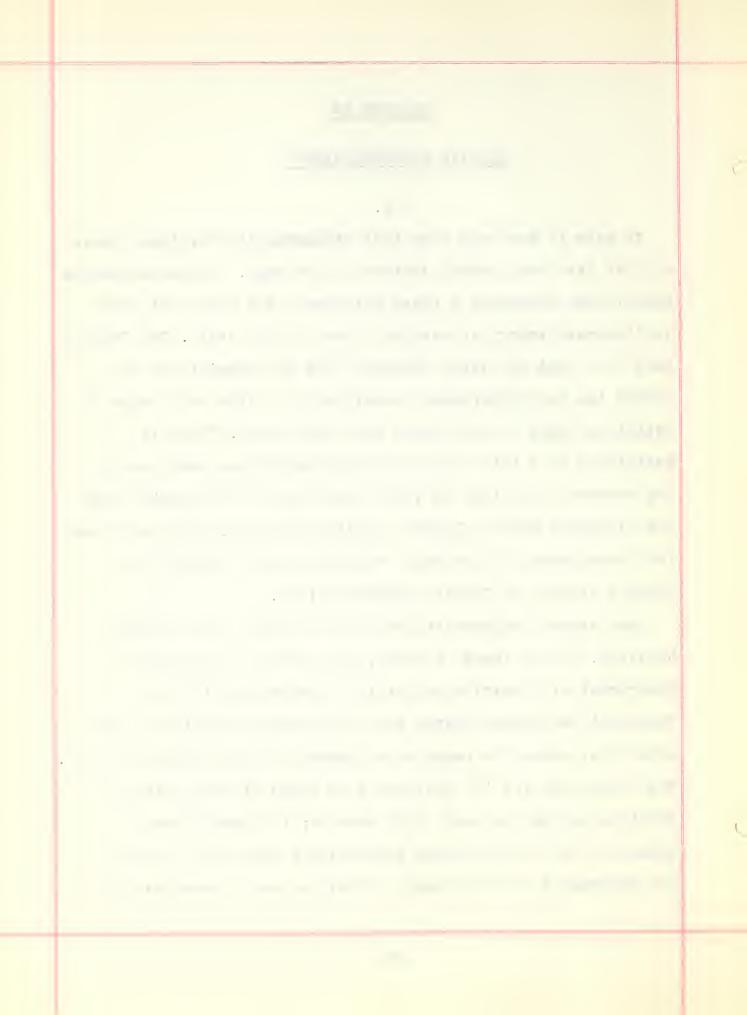
CHAPTER IV

SPECIAL APPROPRIATIONS

1.

To date it has been seen that Massachusetts furnishes state aid for its local school systems in two ways. The Massachusetts School Fund possesses a fixed principal, the income of which is disbursed among the needlest towns of the state. The General Fund is a fund set aside annually from the receipts of the income tax for disbursement according to a plan which aims at assisting towns in accordance with local need. There is assistance of a third nature provided which has developed in the course of the last 66 years according to no organized plan and disbursed from no legally constituted fund. Such assistance, for convenience of treatment, has been grouped under the general heading of Special Appropriations.

Such special appropriations may be divided under eleven headings. Two of these, however, the support of the State Department of Education and state contributions to the Teachers' Retirement System are not considered in this paper, since they cannot be regarded as germane to the subject at hand. The other nine are (1) assistance to towns of less than 500 families supporting local high schools; (2) assistance to groups of two or more towns supporting a union high school; (3) assistance in the payment of tuition and transportation



charges of pupils from towns of less than 500 families not supporting local high schools; (4) assistance in the payment of the salaries and travelling expenses of superintendents of schools serving superintendency unions; (5) assistance to towns providing vocational education; (6) assistance to towns providing education for the deaf and blind; (7) assistance to towns supporting continuation schools; (8) assistance to towns providing education in English and Citizenship Requirements for illiterates and (9) assistance to towns supporting sight-saving classes.

2.

1. Assistance to towns of less than 500 families supporting local high schools.

The support of a local high schools by the towns of the state was required by ordinance as early as 1789; It may be said, with a good degree of safety, that no state in the union can parallel the insistence shown by Massachusetts that her children be afforded the opportunity of a high school education.

The present statutes require all towns of 500 families or householders to support a local high school with a course of study ay least four years in length, unless such towns ate specifically exempted, by the State Department of Education, from such a requirement. The support of local high schools by communities of less than 500 families is volitional with the town, but the existence of such schools is encouraged by specials state aid. All towns of less than 500 families main-

11 11 taining high schools are reimbursed a sum not exceeding \$1350 and assigned as follows: for each principal and teacher devoting full time to teaching in the high school, the sum of \$250 is provided by the state. For each principal and teacher devoting part time to such teaching, a part of \$250 proportional to the parttime thus devoted is allotted. In all cases the high schools must meet with the approval of the Department of Education before assistance is given.

2. Assistance to groups of two or more towns supporting a union high school.

Two or more towns are permitted to form a union high school district under the sanction of the Department of Education.

The management of the district thus created is vested in a joint committee composed of one member elected from and by the school committee of each constituent town. This committee, which has the authority and functions of a school, committee, is empowered, subject to the approval of the Department of Education, to choose the situation of the schoolhouse. The proportion each town shall pay for the erection and maintainence of the school, including transportation for the pupils when necessary, is determined according to its proportion of the county tax, unless some different proportion os agreed upon by the constituent members of the union. Every town in which a union high school is located is reimbursed by the

¹General Laws, 1932, op. cit., chap. 71, sec. 5.
²Ibid., chap 71, sec. 14.

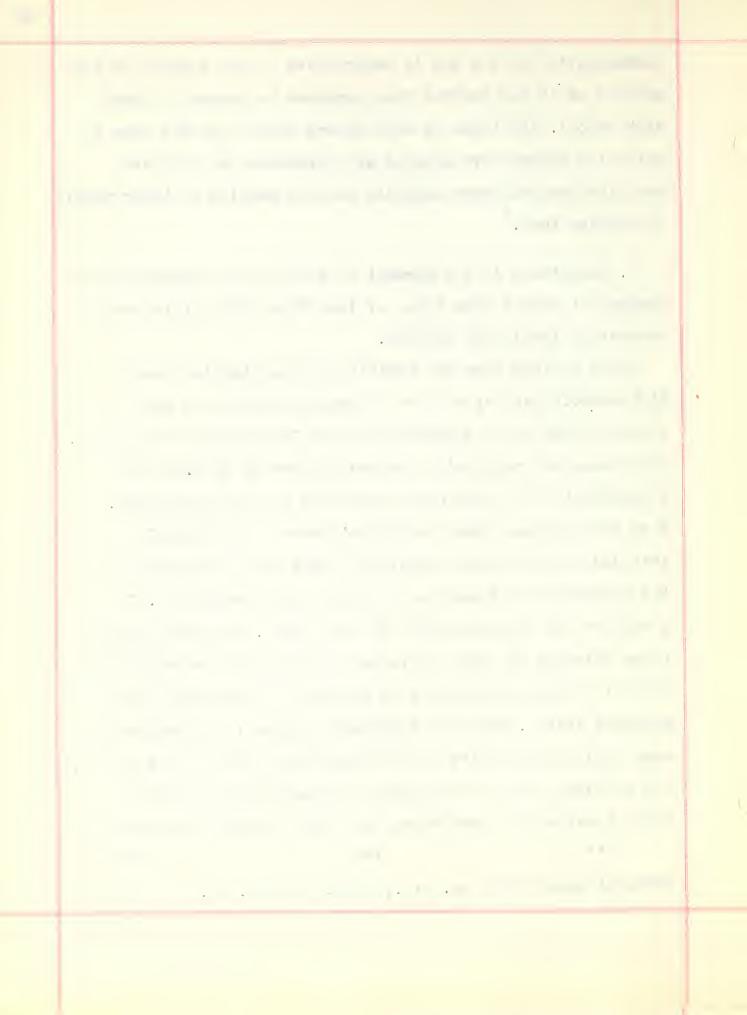
-. The second sec . . commonwealth for the sum it contributes to the support of the schools as if the sum had been expended to support a local high school. All towns in such unions other than the ones in which the schools are located are reimbursed as if their contributions had been expended for the tuition of their pupils in another town.

3. Assistance in the payment of tuition and transportation charges of pupils from towns of less than 500 families not supporting local high schools.

Towns of less than 500 families not maintaining local high schools pay the tuition of pupils resident in such towns at high schools approved by the Department of Education. Such towns are required to expend any sum up to \$.40 for transportation of such pupils each day and may spend more. When the distance from the pupils' homes to the schools attended exceeds three miles, the towns may be required by the Department of Education to expend any sum up to \$.80 a day for the transportation of each pupil. The high schools to be attended by such pupils are approved by the Department, which is legally authorized to approve of high schools in adjacent states. When the Department judges it advisable that such pupils should live in the towns where they at end school, the resident towns of the pupils in question may, through their local school committees, pay such charges for board as

1General Laws, 1932, op. cit., chap. 71, sec. 15.

* * *



the committees fix. If any school committee refuses to meet such expenses, the parents of the pupils in question have the right of appeal to the Department of Education which, if it deemds such action advisable, may require the local school committees to meet the charges in question.

If the average expenditure for the support of public schools of a town of Tess than 500 families not supporting a local high school for three town fiscal years prior to any given school year averages more than four but not more than five dollars per \$1000 valuation, the commonwealth reimburses the town one half the sum paid for transportation and board. If the average expenditure per \$1000 valuation is more than five but not more than six dollars, the commonwealth reimbursement amounts to three quarters of the sum expended for transportation and board. If the average expenditure is more than six dollars, the commonwealth reimburses the entire sum. Such reimbursements are not made on a basis of any amount above \$.40 a day for transportation, but if the pupil must travel more than three miles from home to school in other than a public conveyance, the town shall be reimbursed three quarters of the sum expended up to \$.80 a day. Such excess reimbursement is paid only to towns in which the average expenditure for support of public schools per \$1000 valuation is above five dollars.2

If the valuation of a town of less than 500 families does

General Laws, 1932, op. cit., chap. 71, sec. 6.

ZIbid., chap 71, sec. 7.

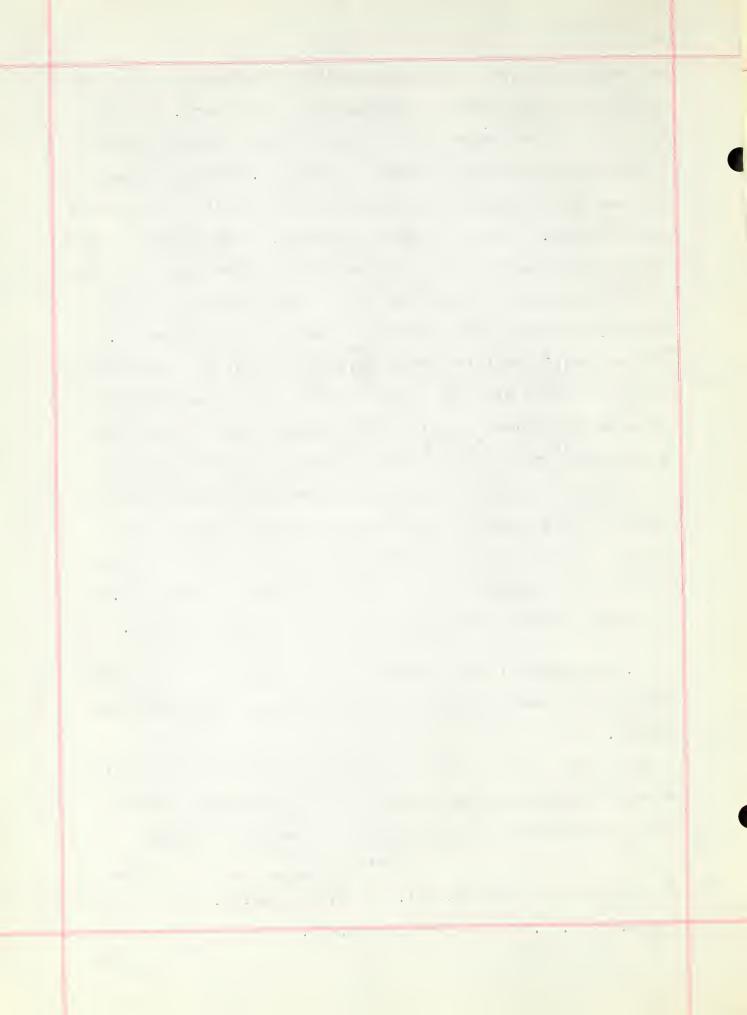
not exceed \$500,000, the commonwealth reimburses the town for the full sum expended for transportation and board. If the valuation is more than \$500,000 but not more than \$1,000,000, a three quarters reimbursement is provided. When the valuation exceeds \$1,000,000, reimbursement of one half the sum expended is furnished. No reimbursement, however, is provided to a town in which the quotient obtained by dividing the town valuation by the net average membership of its public schools exceeds the corresponding quotient of the commonwealth as a whole.2 If the school committee of a town of less than 500 families without a local high school pays, with the approval of the Department of Education, for the instruction of a pupil who os rendered incapable by physical disabilities of attending a high school in another town, the commonwealth reimburses the town under the same conditions and to the same amount as for tuition and transportation, with a sum not exceeding \$100 a year in lieu of tuition and a sum not exceeding \$1.50 per week of actual instruction in lieu of transportation.

4. Assistance in the payment of the salaries and travelling expenses of superintendents of school serving superintendency unions.

When the chairman and secretary of the joint committee in a superintendency union certify to the Comptroller that the union has employed a superintendent according to legal

General Laws, 1932, op. cit., chap. 71, sec. 8.

²Ibid., sec. 9. ³Ibid., sec. 10.



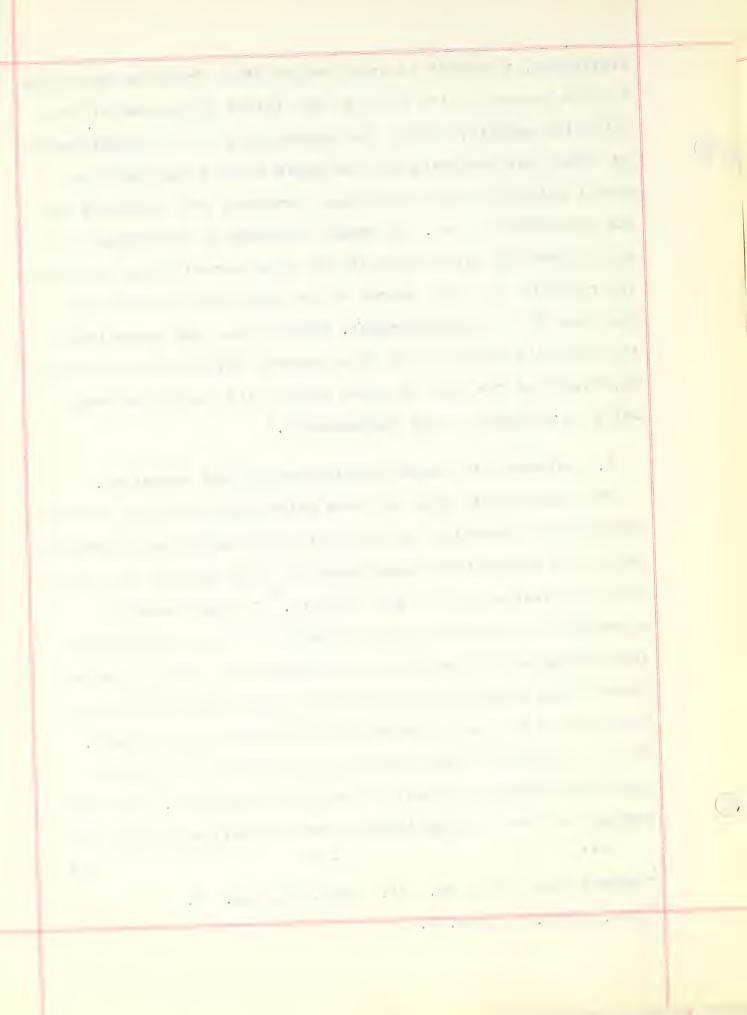
provisions, a warrent is drawn on the State Treasurer providing for the payment to the union of two thirds of the sum of the following amounts, namely, the amount paid to the superintendent as salary not including any sum above \$2500 a year and the amount allowed him for travelling expenses, not including any sum above \$400 a year. The amount provided by the warrent is apportioned and distributed to the towns constituting the union in proportion to their shares of the salary and travelling expenses of the superintendent. However, any sum apportioned to a town the valuation of which exceeds \$4,500,000 or exceeded \$2,000,000 at the time the town entered the superintendency union is retained by the commonwealth.

5. Assistance to towns providing vocational education.

The commonwealth pays to towns maintaining local or district independent industrial, agricultural or household arts schools, except the agricultural departments of high schools, one half the maintainance cost of such schools. The commonwealth reimburses towns paying fees for tuition in the agricultural departments of high schools to the same extent that it reimburses towns paying tuition in public high schools but in no case does it pay less than one half the amount so expended. It also reimburses towns paying fees for tuition in other vocational schools one half the amount so expended. The entire expenses of towns paying tuition fees for children placed in

General Laws, 1932, op. cit., chap. 71, sec. 65.

² Ibid., chap. 74, sec. 9.



vocational schools by the Commissioner of Public Walfare or by the trustees of Massachusetts training schools are reimbursed by the commonwealth.

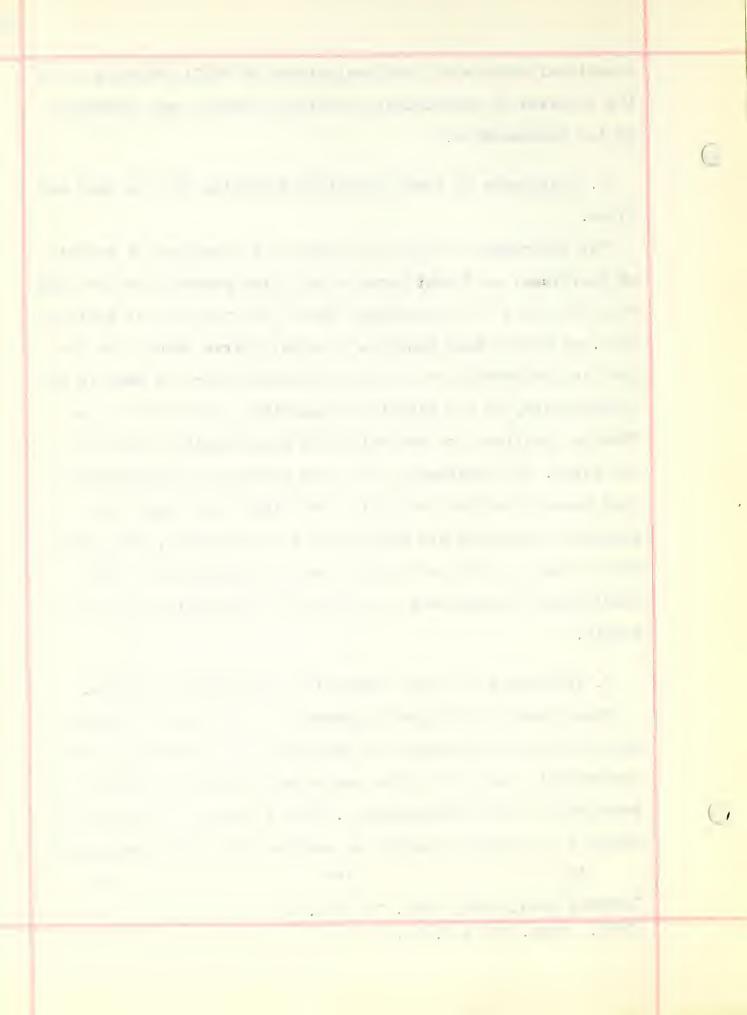
6. Assistance to towns providing education for the deaf and blind.

The Department of Education may, at the request of parents of guardians, send deaf persons and blind persons for not more than ten years to the American School for the Deaf at Hartford, Conn. or Horace Mann School at Bostoh, Clarke School for the Deaf at Northampton or to any other school for the deaf in the commonwealth, as the parents or guardians prefer and to the Perkins Institute for the Blind and Massachusetts School for the Blind. The Department, with the approval of the Governor, also makes provision for pupils both deaf and blind. All reasonable expenses are borne by the commonwealth, the parents able to pay in whole or in part for the education of such handicapped children may be required to reimburse the commonwealth.

7. Assistance to towns supporting continuation schools.

Towns running continuation schools or continuation courses approved by the Department of Education are reimbursed by the commonwealth one half of the sum raised by local taxation and expended for their maintainence. When a person is required to attend a continuation school in another town, the commonwealth

General Laws, 1932, chap. 74, sec. 10 21bid., chap. 69, sec. 26.



pays one half his tuition. 1

8. Assistance to towns providing education in English and citizenship requirements for illiterates.

The Department of Education may provide instruction in English for illiterate adults as well as instruction in subjects fitting them for American citizenship. Teachers furnishing such instruction are employed by the towns and their compensation set by the local school committees, subject to the approval of the Department. The commonwealth pays one half the cost of such instruction. 2

9. Assistance to towns supporting sight-saving classes.

Local school committees are authorized to organize and conduct sight-saving classes for children. Such classes are supported by appropriations made by the General Court and administered under the direction of the Director of the Division of the Blind. 3

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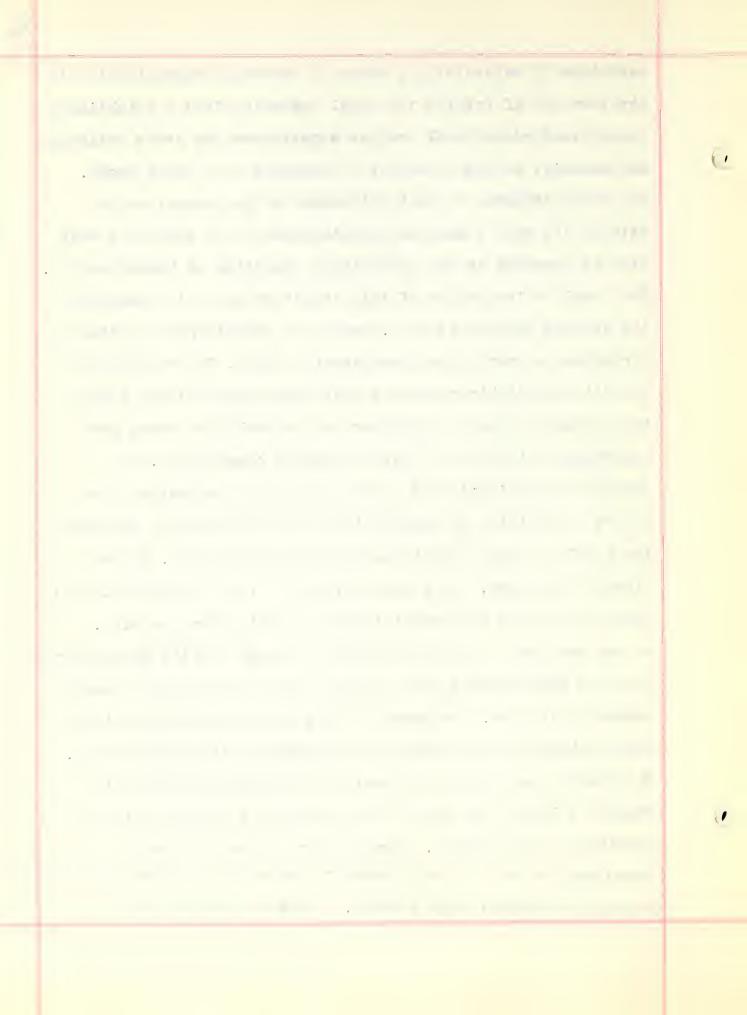
The aid thus furnished the local school systems of the state may be summarized under two general headings. In the first place, additional assistance is furnished smaller and needier communities by special appropriation. Massachusetts has been definitely committed by tradition to a policy of local independence in the matter of education. Such a policy has the

General Laws, 1932, op. cit., chap. 71, sec. 24.

Zibid., chap. 69, sec. 9-10. Zibid., chap. 69, sec. 16.

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advantage of maintaining a sense of personal responsibility in the town and of freeing the local community from a blightingly stereotyped educational routine superimposed by state officials unresponsive to and often out of sympathy with local needs. Any value conceded to that philosophy of government which sets as its goal a maximum decentralization of authority must also be conceded to the educational tradition of Massachusetts. But, real as the values of this tradition are, it possesses its serious defects as well. Parity of educational opportunity throughout a state is an unattainable ideal. The children of the city inevitably possess educational opportunities denied their country cousins; children in the wealthier towns have andavtages not open to those in needier communities. The soundest justification of state aid to local education lies in the possibility of manipulating such aid so as to approach the ideal of equal educational opportunity for all. As has already been seen, the funds available through the School Fund and General Fund are administered with this ideal in mind. We now see that the funds available through special appropriation are also administered with the more crying needs of the small community in view. The growth of the high school movement has been enthusiastically fostered by Massachusetts legislatures. The Statute requiring all towns of 500 families or more to support a local high school is an unusually advanced piece of educational legislation. Carrying out the same tendency, pro-vision is made for assistance to towns of less than 500 families Such assistance is desiring to support high schools.



furnished in defraying salary expenses both in local and union high schools, and the state aids towns in high school unions to secure competent educational supervision by helping to meet the salary and travelling expenses of the union superintendent.

Finally, to such towns of less than 500 families as do not choose to support local high schools, assistance is given in paying transportation and tuition charges of their children in neighbouring communities.

State aid by special appropriation may also be classified under the general heading of aid to special educational projects. Vocational education has developed rapidly during the present century, and it is assisted liberally by the state. Indeed, vocational education is the one field in which the state virtually takes the lead in providing educational opportunity. As has already been seen, the state shoulders half the burden of supporting vocational education, and its expenditures in this field are considerably larger than in any other. Assistance is also furnished such towns as support continuation schools and provide fundamental education for illiterates. Finally, education for the deaf, blind and near-blind is assisted by the state.

Massachusetts is consciously striving to make congruous the meeting of modern demands with adherence to an established tradition. The need for state aid to local school systems is evident and admitted. Its potential value in equalizing educational opportunity is very high. But it possesses very

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real dangers as well; when carried to excess, it may stultify local initiative in and responsibility for education and it may create an educational bureaucracy. Massachusetts is endeavouring to follow a middle road that will ensure the benefits but avoid the evils. Thus state aid from formally constituted funds is employed exclusively in raising the standard of education in smaller and needier communities — that is to say, in equalizing educational opportunity. State aid by special appropriation is also directed in large measures towards this end. How successfully Massachusetts is attaining its goal is the really essential point to be determined in the last part of this paper.

For added clarity, the state aid presented by special appropriation according to the General Laws of 1932 is presented in tabular form in Table VIII. The projects assisted by special appropriation are listed, indication is given of the aid furnished in the brief statement of the conditions under which it is advanced. Table IX presents a list of the statutes with chapter references which have been passed by the Massachusetts legislature. The categories followed throughout this chapter and in Table VIII are also followed in Table IX.

TABLE VIII

STATE AID BY SPECIAL APPROPRIATION

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Continuation schools

Education of Deaf and Blind

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beau raised by local taxation for maintenance.

pupil according to need. educational expenses of Partial or complete

aid for part time principals and teacher; proportionate Maximum \$1250. \$250 for each full time principal and teachers.

families supporting local

high schools

Towns of less than 500

Complete support.

Sight-Saving Classes

dents salary (not above \$2500.) and travelling expenses (not above \$400). 2/3 of sum of superinten-

Towns in Superintendency

Unions

Conditions

Department of Education. Approval of schools by

than ten years at school Attendance for not more approved of by Department of Education.

Approval of school by Department of Education.

approval of Director of classes by local school Division of the Blind. committees subject to Organization of such

\$2,500,000 when entering To be distributed among \$4,500,000 valuation or evaluated at more than question. Not given to shares of expenses in proportion to their towns of more than towns in union in unions.

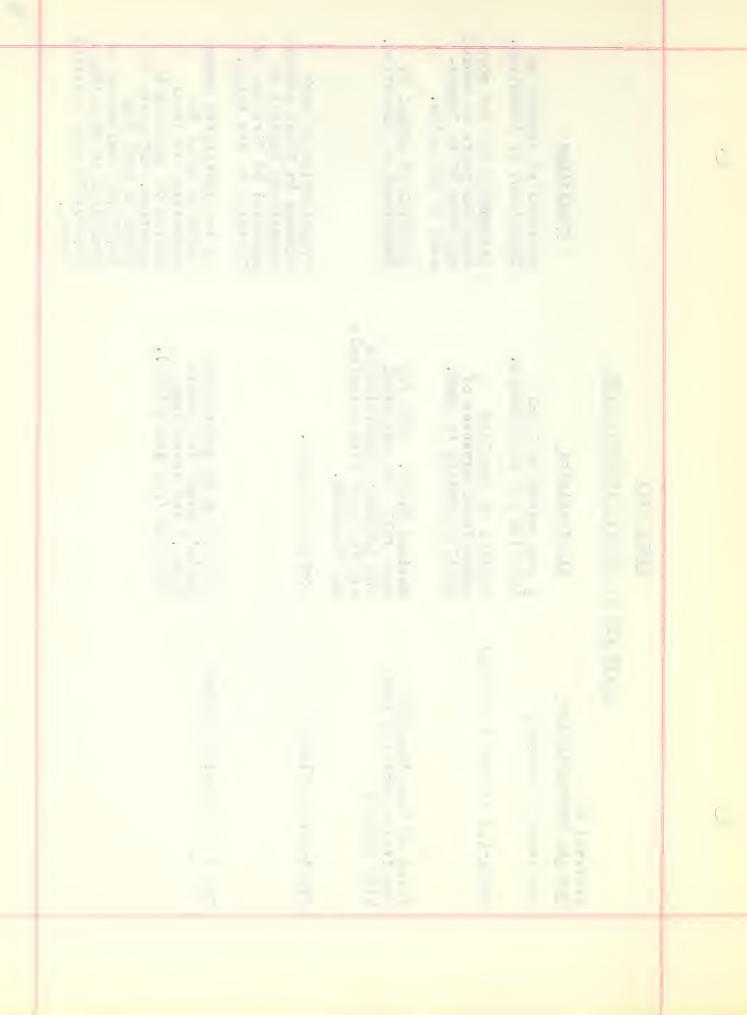


TABLE VIII (cont'à)

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Ald furnished

Transportation. Tuition and

\$.40 per day transportation (\$.80 per day when distance z cost of transportation exceeds three miles) or board. ф ф ٥

If expenditure, as in b, is more than five but not more than six dollars. 0 3/4 cost of transportation

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Complete cost of transportstion or board. or board. Ġ.

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3/4 cost of transportation or board. 44

½ cost of transportation or board. 80

lieu of tuition and sum not Sum not exceeding \$100 in exceeding \$1.50 a week. p.

Conditions

Approval of school attended by Department of Education. ъ В

a year per \$1000 valuation. but less than five dollars of town is more than four diture for public schools Provided average expenů,

If town valuation does not exceed \$500,000. 0

more than six dollars. If expenditure, as in b,

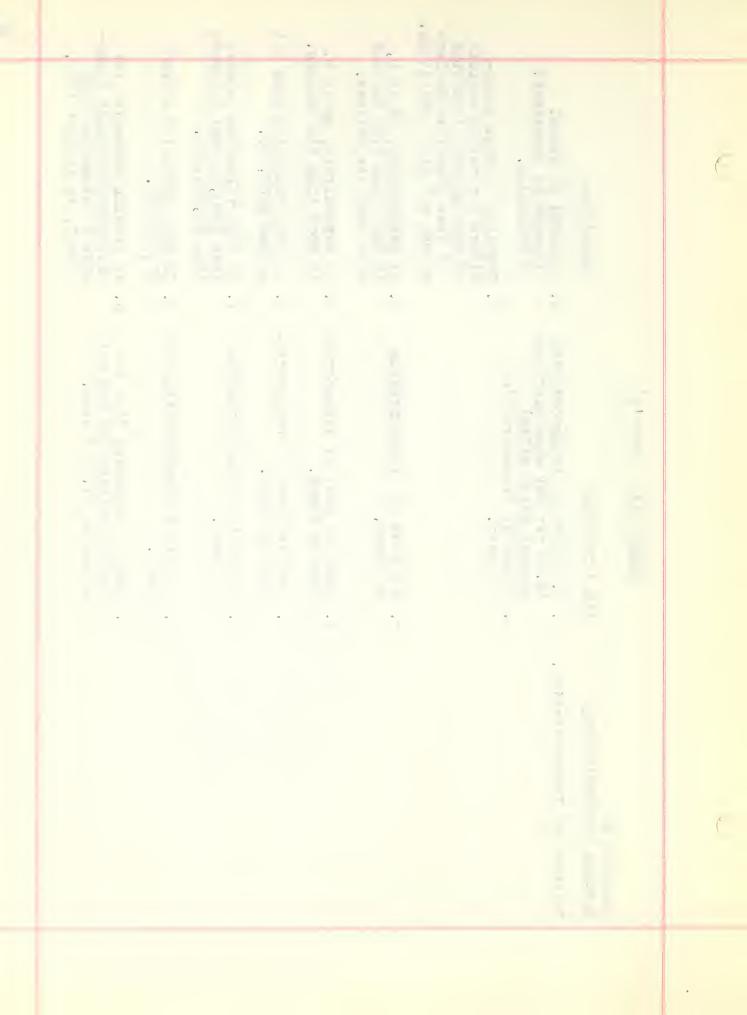
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than \$500,000 but rot more than \$1,000,000. If town valuation is more 4

If town valuation exceeds 50

children physically incap-To provide education for able of attending high school, in another town. n.



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training schools.

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VIII
LABLE

Assisted by special appropriations

Union high schools

Aid furnished

- a. Reimbursement equal to that legally provided for local high school.
- b. Reimburaement equal to that legally provided for tuition and transportation charges to neighboring towns
- a. 2 maintenance sum.

Vocational education.

Conditions

- a. Furnished towns in which union high schools are located.
- b. Furnished towns in unions other than those in which high schools are located.
- a. Paid to towns maintaining local or district independent industrial, agricultural or household arts schools, except agricultural departments of high schools.
- b. Reimbursed towns paying fees
 for tuition in agricultural
 departments of high schools.
 Reimbursement equal to that
 furnished towns paying fees for
 tuition in public high schools.

b. Not less than 2 sum

expended.

- c. Reimbursed towns paying fees for tuition in other vocational schools.
- d. Reimbursed towns paying fees
 for children in vocational schools
 who have been placed there by
 Commissioner of Fublic Welfare or
 by trustees of Massachusetts

Entire sum expended.

expended.

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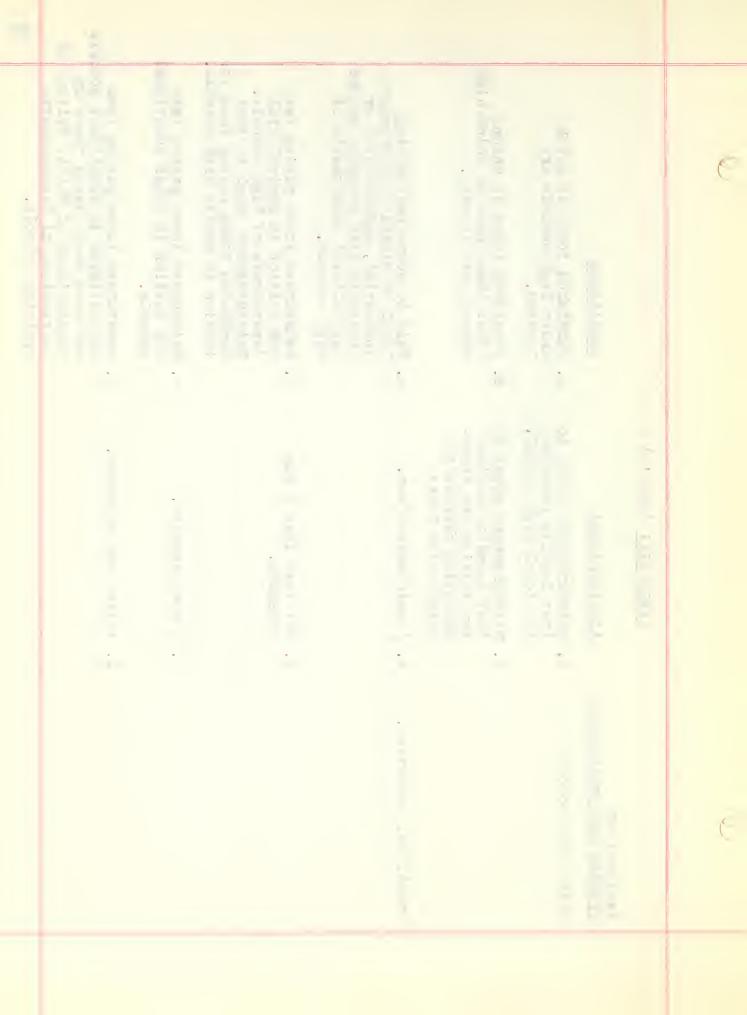


TABLE IX
STATUTES AUTHORIZING STATE AID BY SPECIAL APPROPRIATION

Purpose	Year	Chapter
Continuation schools	1913 1919 1922	805 311 415
Deaf and Blind	1867 1868 1869 1871 1885 1887 1888 1889 1918 1918 1919	311 200 333 300 118 179 239 226 257, 171 5, 350 2
High schools in towns of less than 500 families.	1902 1906 1908 1911 1918	433 200 427 537 198
Illiterates	1919	295, 350
Sight-Saving classes	1919 1925	229, 350 286
Superintendents salaries	1888 1 893 1898 1918 1920 1926	431 200 466 109 371 313
Tuition and transportation	1891 1894 1898 1902 1911 1913 1918 1921 1930	263 436 496 433 537 396 198 296 48

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TABLE IX (continued)

Purpose	Year	Chapter
Union high schools	1848 1918 1919 1920	279 257 5, 292 2
Vocational education	1906 1911 1912 1919 1923	505 471 587 291 364

CHAPTER V THE ADMINISTRATION OF STATE AID

l.

To date we have seen that Massachusetts possesses two legally constituted sources of state aid for public school systems, the School Fund and the General Fund, the former in existence since 1834 and the latter since 1919. In considering the historical and legal background of these two funds, one fact has become increasingly evident. A century ago state aid was established to "encourage" education, not to support it. Successive boards of education have reiterated and defended this aim. It became apparent at an early date that encouragement was needed in some communities more than in others. Thus it becomes evident that the history of the administration of state aid in Massachusetts is largely a history of the gradual modification of the methods of assigning such aid, so as to produce the maximum benefit where most needed. At the outset, no cognizance was taken of the relatively greater need of some communities. Then the policy of assisting the needier towns was adopted, and this policy, with many technical changes in the method of disbursing aid, has been followed until the present day.

At the outset, the interest of the School Fund was administered to the towns in proportion to the number of inhabitants between the ages of five and fifteen. In the first year that

the Fund produced revenue, 1835, interest to the amount of \$16,331.39 was available for distribution from a principal of \$514,906.74. Within three years the principal had grown to \$789,389.55 which, in 1845, yielded a revenue of \$28,966.85. This sum was derived from notes for land, banks, stocks and cash deposited. The interest accruing from notes for lands was added to the principal until the notes were paid and only the interest on funded capital was distributed to the towns.

In 1846 a special appropriation from the Fund of \$5000 was made for the outfitting of state normal schoolhouses and \$1,104.39 was appropriated to assist in defraying the expenses of Teachers' Institutes. Amherst College was aided by the state during this early period in return for its service in providing training in agriculture, and in 1848 it subjected the Fund to what the Secretary of the Board of Education termed "am extraordinary demand".

By 1849 the annual income had grown to about \$39,000. Special appropriations for that year exceeded \$17,000 and were made upon the moiety of the proceeds of the sale of public lands which were set aside to increase the Fund. The special appropriations for the year 1849 are presented in Table X, as recorded in the Board of Education Report for

Annual Report of the Board of Education, 1845. All statistics listed in this chapter, unless otherwise indicated, have been compiled from the Reports of the Board of Education.

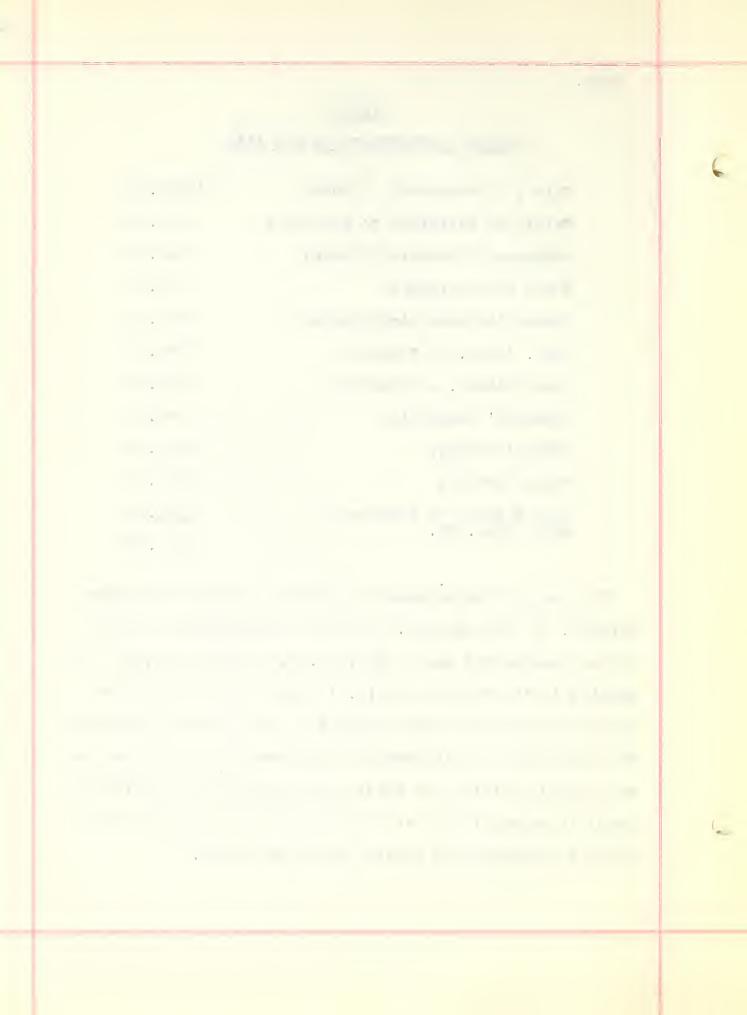
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1850.

TABLE X
SPECIAL APPROPRIATIONS FOR 1849

Salary of Secretary of Board	\$1308.33
Salary of Assistant to Secretary	333.33
Expenses of members of Board	242.65
Books for Secretary	18.00
Barnard's School Architecture	325.00
Mass. Assoc. of Teachers	1 50.00
County Assoc. of Teachers	350.00
Teabhers' Institutes	990.26
Amherst College	5000.00
Normal schools	6500.00
Horace Mann, by Resolves of	2000.00
1849, chap. 80.	17217.57

The amount thus expended by special appropriation grew rapidly. In 1850 \$25,668.61 was thus expended and in 1853 it had reached the sum of \$28,146.69, of which \$15,000 was granted to the Normal schools. It became evident that an excessive drain was being applied to the sources from which the Fund was to be increased. Consequently, in 1854, a law was passed limiting the Funds granted to the towns without specific appropriation to one half the income of the Fund, and not consuming the entire income as before.



Substantial increases to the principal of the Fund between 1849 and 1854 resulted in an income of \$90.566.30, In 1856, of which one half was received by the local school systems. The Secretary of the Board states, "The sum now distributed is equal to about twenty cents to each person between the ages of five and fifteen years...." In 1857, \$37,500.00 was devoted to legally authorized drafts on the other half of the interest of the Fund. These expenditures are presented in Table XI, as reported in the Report of 1857.

TABLE XI
Legally Authorized Expenditures, 1857

Normal Schools	\$13,000.00
New England Sehool of Design for Women	1,000.00
Mass. Teachers! Assoc.	300.00
Secretary of Board of Education for public expenses	200.00
Dictionaries	150.00
Teachers: Institutes	4,250.00
State Scholarships	3,600.00
Expenses of Board	150.00
Salary of Secretary of Board	2,000.00
Expenses of Secretary	300.00
Attendents in Normal schools	4,000.00
Bemale Medical Education Society	3,500.00
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Peport, 1857, op. cit., p. 70.

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TABLE XI (continued)

Salaries of Asst. Librarian \$1,300.00 and Clerk of Sec. of Board

Secretary of Eoard for purchase of rare and valuable works

County Associations of Teachers 700.00

Printing etc. 3,000.00

In 1857, \$44,824.83 was assigned to the local systems. Some indication of the distribution of the school population of the state is furnished in Table XII, in which the assignment of this sum by counties is tabulated. It must be borne in mind that state aid was still furnished in 1857 strictly on the basis of the number of children between the ages of five and fifteen years in the various towns.

TABLE XII

ASSIGNMENT OF STATE AID BY COUNTIES, 1857

Suffolk	\$6330.98	Berkshire	\$2307.34
Essed	6058.63	Norfolk	3853.41
Middlesex	7130.38	Bristol	3640.01
Worcester	5980.16	Plymouth	2355.21
Hampshire	1474.88	Barnstable	1700.68
Hampden	2078.56	Dukes	187.47
Franklin	1436.26	Nantucket	290.36
			\$44.824.33

\$ 4

It must be immediately evident that a great injustice was being worked by the assignment of state aid purely on the basis pf school population. Table XIII presents in tabular form the proof of this inequality of assistance. The first group of three towns is taken from the head of the list for generosity in educational appropriation per child. The second group is representative of the lowest range. All statistics contained in Table XIII are taken from the Report for 1857.

TABLE XIII
INEQUALITY OF STATE AID, 1857

Town	Rate in appropriation	Appropriate per child		No. children 5-15	
Nahant	1	\$17.91	?(inclu- ded in Lyn	67 nn)	?
Brookline	2	17.36	\$5,436,854	575	\$9440
Dorchester	3	13.18	6,785,916	1593	4250
Sheffield	32 8	1.70	1,108,145	5 88	1885
Richmond	329	1.55	367,058	257	1360
Bernardston	330	1.52	375,366	230	1630

Thus in 1857 there were towns in Massachusetts appropriating more than ten times the sum per child for education that other towns appropriated. Brookline appropriated at a rate approximately eleven teimes greater than that of Richmond. In doing this she was assisted by a property valuation approximately five times as large per child as that of her needy sister.

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The inequality in educational opportunity afforded children resident in the two towns requires no comment.

That additional aid was needed for local school systems was made plain in the Peport for 1858, in which the Secretary states, "It was contemplated by the founders of the School Fund that an amount might safe y be distributed among the towns equal to one third of the sum raised by taxation, but the state is really furnishing only one thirtieth of the annual expenditure....A substantial addition might be made without in any degree diminishing the interest of the people or relieving them from taxation." As indicated in Table XIV, at this period the state aid afforded the towns averaged only slightly more than twenty cents a child, a meagre bounty even in those days of deflated costs and Spartan salaries.

TABLE XIV

STATE AID PER PUPIL, 1850 TO 1858

Year	Children	Income	Per pupil in cents and mills
1850	182,003	\$37,370.51	\$.205
1851	192,849	41,462.54	.215
1852	198,050	44,066.12	.282
1853	199,292	46,908.10	.235
1854	202,102	48,504.48	.240
1855	210,761	46,788.94	.223
1856	221,902	44,842.75	.808
1857	220,336	46,783.64	.818
1858	222,860	46,496.19	.308

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This plea for more funds was promptly answered, as in 1859 the legal limit of the Fund was raised to \$3,000,000. In 1857 the principal of the Fund stood at \$1,642,164.22 and by 1859 it had dwindled, apparently, to \$1,523,319.33. The decrease, however, was only apparent, as chapter 158, section 9 of the Acts of 1858 required the estimation of all stocks belonging to the commonwealth to be made at market values.

By 1863 only three towns in the state raised by taxation less than \$2.00 per child for education. In his Report for 1864, the Secretary of the Board suggested (p.58) that the requirement that a town raise \$1.50 per child for educational purposes in order to share in the benefits of the Fund be amended to a requirement of \$3.00 per child. His suggestion bore fruit two years later, when the law was amended according to his recommendation.

In 1866, as has already been stated, the most important modification was made in the method of assigning state aid to the towns. Chapter 208 of the Ac\$ts of 1866 provided that each town should be granted a lump sum of \$75 and the remainder of the Fund available should be divided among the towns on the basis of the children between the ages of five and fifteen resident therein. Thus a conscious effort was made to help the smaller towns, since \$75 would go farther in a small system than in a large one. Some indication of the success of this

lActs of 1865, chap. 142.

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plan may be gained from Table XV in which, as in Table XIII, the aid afforded relatively wealthy towns is contrasted with that given relatively poor ones. The statistics in Table XV are compiled from the Report for 1867.

TABLE XV

EFFECTS OF THE LAW OF 1866 BY TOWNS

Town Rate	in appropriation	Sum appropriated per child	Valuation
Brookline	1	\$20.76	\$12,107,550
Nahant	2	19.72	517,194
Dorchester	3	15.63	12,521,038
Southwick	332	1.99	604,200
Hancock	333	1.75	490,299
Bernardston	334	1.69	484,893

Town No. of	children, 5-15	Valuation per child	Share of Fund	Share of Fund per child
Brookline 95	56	\$12,670	\$218.40	\$.22
Nahant 7	'1	7,290	85,65	1.82
Dorchester 233	36	5,290	425.40	.18
Southwick 25	53	2,382	112.95	.41
Hancock 22	39	2,162	109.35	.48
Bernardston 17	78	2,720	101.70	.57

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Just as in 1857 we saw that certain towns appropriated more than ten times the sum per child for education that other towns appropriated, so in 1866 we find the same situation existing. Once more the relatively high valuations of the wealthier towns assist in their more generous rate of appropriation, but, whereas Brookline had a valuation more than four times that of Southwickm figuring on the basis of the children resident in the two towns, and appropriated about ten times as much per child for educational purposes, Southwick was only given twice the aid per child adforded Brookline. Similarly, when we take the more favorable contrast of Dorchester and Bernardston, we find their local appropriations for educational purposes in the approximate ratio of nine to one, ther valuation in the ratio of two to one and their state assistance in the ratio of one to three. When we consider the case of Nahant, the joker in the law becomes apparent. Wealthy, but with few inhabitants, Nahant by the grace of the lump grant of \$75, profits far more than any town in the state. The logical deduction is that the law of 1866 was a step in the right direction, but an inadequate and timorous step. The value of the law as an official recognition of the duty of the state in equalizing educational opportunity was very great, but as a practical measure to secure such equalization it accomplished little. A further illustration of the inadequacy of the law is furnished when we consider the apportionment of aid by counties. Table XVI presents the figures for two counties in the year 1871.

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TABLE XVI

EFFECT OF LAW OF 1866 BY COUNTIES

County between 5-15	County valuation per child	Received from Fund	Received from Fund per child
Barnstable 6,669	\$2,075.21	\$2,466.68	\$.36
Suffolk 49,722	12,623.72	13,860.83	,28

Thus, although the valuation of Suffolk County per child was almost six times that of Barnstable, the latter received only \$.36 per child to the former's \$.28.

In 1874, a further step was taken towards limiting state aid to the needier towns. As already seen, towns with a valuation of less than \$1,000,000 were given \$200, those whose valuation varied from \$1,000,000 to \$3,000,000 were given \$150, those in which the valuation range was from \$3,000,000 to \$5,000,000 were allowed \$100 while the residue was divided on a per capita basis among all the towns with a valuation of less than \$10,000,000. This system obtained until 1884 when a slight modification was introduced. A new class of towns was created, consisting of towns of a valuation of less than \$500,000. The second class consisted of communities of a valuation of \$500,000 to \$1,000,000, the third class ranged from \$1,000,000 to \$3,000,000 while the last class included towns with a valuation from \$3,000,000 to \$10,000,000. The first three groups were granted \$300, \$200 and \$150 respectively, while the residue was divided on a per capita basis of school population among all towns with a valuation of less than \$10,000,000. In Table XVII, the working of this law is illustrated in the case of specific towns. The statistics used were derived from the Board Report for 1887, and represent the statistics of the year 1886.

TABLE XVII

EFFECTS OF THE LAW OF 1884

				Valuation	Amt. rec'd
Town	Valuation	Amt. rec'd	No. of children	per child	per child
Brewster	\$447,791	\$309.58	172	\$2,604	\$1.79
Alford	231,003	303,65	63	3,666	4.82
Berkeley	410,319	308.89	147	2,797	2.10
Harwich	989,390	228.66	490	2,019	.47
Cheshire	701,802	217.55	370	1,897	• 58
Dighton	725,355	217.21	269	2,696	.81
Dennis	1,146,077	179.11	512	2,238	.81
Lee	1,955,868	195.01	796	2,457	.25
Westport	1,344,275	178.31	502	2,678	.35
Adams	3,155,470	94.57	1738	1,815	.06
Stockbrid	ge 2,422,319	168.40	393	6,163	.43
Attleboro	6,108,715	127.10	2191	2,788	.04

The most casual consideration of the town, valuations per child contrasted with the amount received per child will reveal the futility of using town valuations as a sole basis for awarding state aid. Thus the town of Attleboro with a per-

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capita valuation of \$2,788 per child received \$.04 aid per child in 1886 while Alford, with a per capita valuation of \$3,666 per child received \$4.83 per child. Westport and Dighton had virtually the same valuation per child, yet Dighton received \$.81 per child while Westport received only \$.35. The wealthy town of Stockbridge and the considerably less wealthy town of Adams are located in the same part of the state. Stockbridge, with its high valuation per child, received \$.43 for each child resident in the town while the far needier community of Adams received only \$.06 per child. Thus it is evident that the law of 1884 worked a grave injustice. Town valuations, considered by themselves, are of no significance in determining the need for local aid. Indeed, the greatest beneficiaries of the law were the small towns of few inhabitants and high valuations—the very communities which stood in least need of state aid.

In 1891 the law was again amended with the aim of furnishing added assistance to the needier towns. By the law of 1891, mo town with a valuation of more than \$3,000,000 was eligible for state aid. The aid furnished the various groups of towns in 1891 and thereafter was as follows:

Valuation	Received
Less than \$500,000	\$275 (\$300 after 1893)
\$500,000-\$1,000,000	200
1,000,000-2,000,000	100
2,000,000-3,000,000	50

The remainder was divided on a per capita basis of children

and the second s between the ages of five and fifteen years among the towns of the four groups listed above. Table XVIII illustrates the working out of the law of 1891 in the case of specific towns. The statistics used were derived from the Report of 1894 and are for the year 1893.

TABLE XVIII
EFFECT OF THE LAW OF 1891

Town	<u>Valuation</u> <u>An</u>	mt. Rec'd	No. of children		Received per child
Carlisle	\$381,288	\$324.41	85	\$4,486	\$3.82
Dunstable	290,410	409.64	61	4,761	6.71
Boxboroug	ch 241,102	443.31	52	4,637	8.53
Ashby	517,755	368.31	114	4,638	3.23
Bedford	905,230	334.64	153	5,917	2.12
Littleton	800,910	368.31	164	4,883	2.19
Ashland	1,202,890	234.64	402	2,992	. 58
Ayer	1,311,913	234.64	414	3,168	. 57
Billerica	1,758,929	234.64	444	3,961	.53
Hopkinton	2,224,185	162.20	628	3,542	.26
Hudson	2,670,497	162.20	801	3,334	.20
Lincoln	2,409,023	162.20	142	16,965	1.15
Once more	the inadequacy	of town	valuations	as a means o	f

Once more the inadequacy of town valuations as a means of apportioning state aid is revealed. Boxborough, with a larger valuation per child than Hopkinton, received thirty four times as much

. I then sale a * + A 4 (- aid per child. Lincoln, with a valuation per child five times that of Hudson received almost six times as much aid per child. It is evident that the law failed utterly in its purpose, that far from giving maximum aid to the neediest towns, it actually produced a condition diametrically opposite.

The largest subsidies were furnished to towns of high valuations and small populations.

This utter failure to realize the ideal of equalizing educational opportunity throughout the state was voiced in the Report for 1900, which states in part:

... With stronger reason than any other State for equalizing somewhat the school burdens of its municipalities, Massachusetts is yet farthest removed from any equalizing policy.... The State, in fact, sets up this ideal -- equal school privileges for all. Let it, then, squarely meet an important consequence of this ideal, -- the duty of lending a helping hand to such towns as its ideal overburdens....There is West Boylston, at one end of the list, raising \$10.12 per \$1000 for schools, and Gosnold, at the other end, raising only 44 cents per thousand, the former raising twenty three times as much as the latter; and yet, astonishing to say, the State contributes out of the school fund \$300 to Gosnold with its single school while it contributes only \$341.71 to West Boylston, with its 15 schools!... There are 286 towns and cities each of which raises more per thousand dollars that \$3.10 which is the average for the State, and 67 towns and cities each of which raises less than \$3.10; and yet 46 of these 67 towns whose school tax is below the average are assisted by the state, while 76 of the 286 towns, whose school tax is above the average are not so assisted. Without hastily concluding that the State's contributions of aid to the towns are so erratic and questionably as the foregoing statement makes them appear, it is at least pertinent to inquire whether a system

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Report, 1900, op. cit., pp. 227-8.

 of distributing the income of the school fund once deemed fairly equitable has not outgrown its equity and lost some of its usefulness.

As already seen, the law of 1891 had introduced a new element, of an equalizing tendency, into the system of apportionment. In addition to the lump sums granted the various categories of towns, the residue was divided on a fractional basis equivalent to that fraction of the entire local taxes devoted to school, purposes. In Table XIX a tabular outline of the method of distribution followed is presented. The statistics quoted are for the year 1900 as presented in the Report for 1901.

TABLE XIX

APPORTIONMENT IN 1900

Valuation No. of	towns	Amt. allowed each	Total
Under \$500,000	85	\$300	\$25,500
Under \$500,000 with tax rate (in above \$18 in	24 cluded 85 above)	50 (in addition to \$300)	1,200
\$500,000-1,000,000	71	200	14,200
1,000,000-2,000,000	64	100	6,400
2,000,000-3,000,000	30	50	1,500
School tax as com- pared to total tax	No. of to	Amount allowed ea	ch Total
Not less than 1/3	42	\$259.18	\$10,885.56
Not less than 1/4	105	194.38	20,409.90
Not less than 1/5 Less than 1/6	73 (4 13	155.51 40 towns received	\$155.52)

It has been seen that an effort was consistently made to assist those towns most vitally in need of assistance. However, it has been evident that the use of town valuations was a very unsatisfactory method of determining a just distribution. In 1900 towns evaluated above \$3,000,000 were granted no aid from the income of the School Fund. Yet many of these towns stood in greater need of assistance than towns which were granted liberal subsidies. Of the 103 towns not aided, 80 had valuations per pupil lower than the state average, 71 had higher tax rates than the state average, 72 devoted a larger percentage of their total tax income to school purposes than the state average and 41 raised by taxation a larger sum per pupil for educational purposes than the state average. A comparison of the state-aided and non-aided towns is presented in Table XX. The statistics are for the year 1900 as presented in the Report for 1901.

TABLE XX

COMPARISON OF STATE*AIDED AND NON*AIDED TOWNS

	Aided towns	Non-aided	towns
Valuation larger than state average	13	23	
Valuation smaller than state average	237	80	1
Higher tax rate than state average	124	71	
Lower tax rate than state average	126	32 <mark>-</mark>	
Larger % of tax for schools than avg.	221	72	
Smaller % of tax for schools than avg	. 29	31	
parger sum raised by tax per pupil than average	13	41	
Smaller sum maised by tax per pupil	237	62	

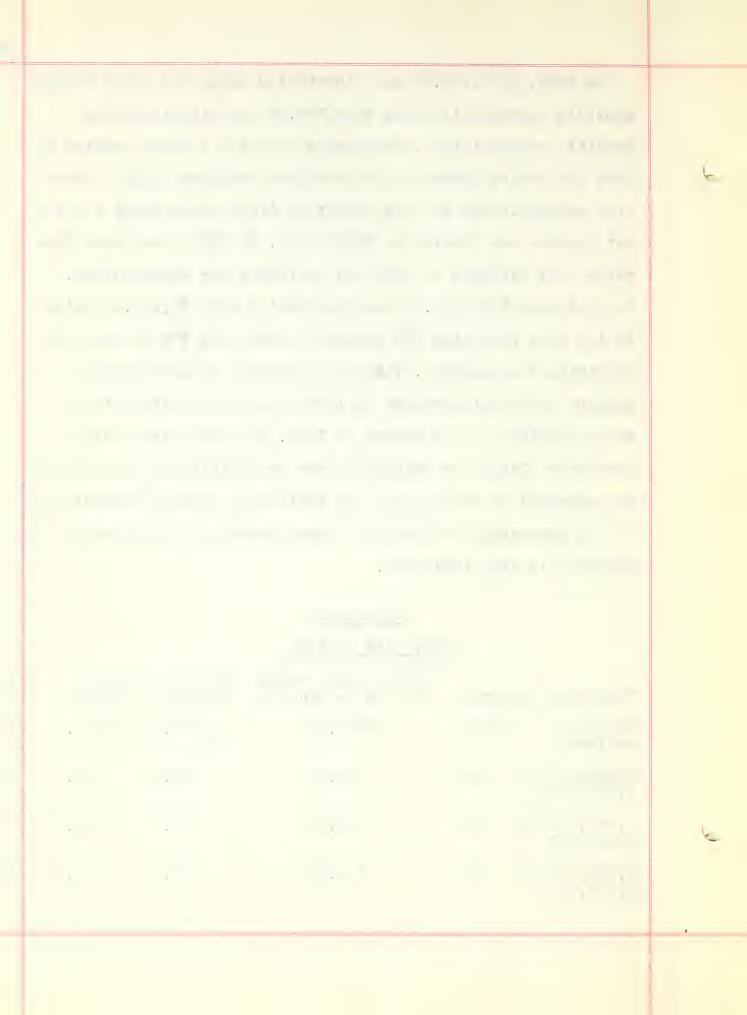
than average

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In 1903, \$107.679.02 was distributed among the towns without specific appropriation and \$126,798.85 was distributed by specific appropriation. Commencing with the subsidy granted in 1904 the entire income of the Fund was assigned without specific appropriation and the valuation limit above which aid was not granted was lowered to \$2,500,000. By 1909 a sum more than twice that assigned in 1903 was available for distribution. In that year \$229,439.73 was distributed with \$1,458.41 going to the town receiving the largest subsidy and \$75 to the town receiving the smallest. Table XXI presents an abbreviated summary of the aid granted in 1909 according to statistics made available by the Report of 1910. The towns are divided into four classes by valuation, and in addition to the minimum sum received by each class, the additional subsidy proportioned to the percentage of the local taxes devoted to local educational purposes is also indicated.

TABLE XXI
STATE AID IN 1901

Valuation M	inimum	1/6 of local taxes devoted to schools	1/5 so devoted	1/4 so devoted	1/3 so devoted
\$500,000 or less	\$500	\$979. 20	\$1,075.04	\$1218.80	\$1458.4
\$500,000 to 1,000,000	300	779,20	875.04	1018,80	1258.4
1,000,000 to 2,000,000	150	629.20	720.04	868,80	1108.4
2,000,000 to 2,500,000	75	554.20	655.04	793.80	1033.4



Little change is to be noted in the state aid assigned during the next ten years. It is interesting to note that in 1919 for every \$100 devoted by the town to local educational expenditures, \$96.53 was received from local taxation, \$1.88 from the state and \$1.59 from other sources. Thus, in 1919, one year before the General School Fund made available a far larger subsidy, the state was shouldering less than 2% of the burden of taxation for school purposes.

The General School Fund, available for the first time in 1920, relieved to an appreciable extent the burden placed on local communities. In 1920, \$3,062,643.09 was available for local school purposes. This sum increased annually until, in 1930, \$5,402,809.28 was available from this source. There is left the necessity of analyzing, to some extent, the nature of the aid granted through the General School Fund. However, such analysis, in view of the relatively recent inception of the General Fund, will be most significant when treated from the viewpoint of the state aid granted at the present time. Viewed from this angle, the subject merits separate treatment. In Table XXII there is presented a statement of the yearly development of the Massachusetts School Fund as reported annually by the Board of Education.

TABLE XXII

DEVELOPMENT OF THE MASSACHUSETTS SCHOOL FUND

Year	Principal	Distributed among towns
1835	\$514,906.74	\$16,331.39
1836	555,377.97	19,102.24
1837	561,676.29	20,040.77
1838	550,180.39	20,712.30
1839	573,862.44	20,806.86
1840	590,543.58	21,910.01
1841	566,791.20	23,247.19
1842	555,517.92	23,573.35
1843	563,695.63	24,370.78
1844	754,014.97	26,288.75
1845	789,389.55	28,966.85
1846	?	?
1847	821,572.31	?
1848	843, 447.00	?
1849	848,267.17	39,000.00 (approx.)
1850	958,921.19	37,370.51
1851	?	41,462.54
1852	951,424.12	41,558.22
1853	1,220,238.11	?
1854	?	46,908.10
1855	?	48,611.04
1856	1,627,467.28	45,283.15
1857	1,642,164.22	44,824.33

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TABLE XXII (cont.)

Year	Principal	Distributed among towns
1858	\$1,522,898.41	\$46,496.19
1859	1,523,219.33	46,120.21
1860	?	46,385.22
1861	1,527,849.73	?
1862	1,588,263.47	45,034.50
1863	1,585,163.32	47,000.00 (approx.)
1864	1,870,970.98	55,562.48
1865	1,936,127.18	60,720.27
1866	2,000,000.00	67,000.00 (approx.)
1867	2,001,450.33	?
1868	2,179,976.81	88,988.91
1869	2,188,890.92	70,637.62
1870	2,203,403.77	73,922.40
1871	2,211,410.77	88,748.23
1872	2,233,366.98	87,356.39
1873	?	86,336.44
1874	?	98,032.84
1875	2,117,732.82	88,613.45
1876	?	83,350.99
1877	2,067,790.54	76,320.07
1878	2,067,790.54	70,581.82
1879	2,067,581.71	79,708.98
1880	2,075,540.37	69,908.78
1881	2,075,540.73	69,007.81

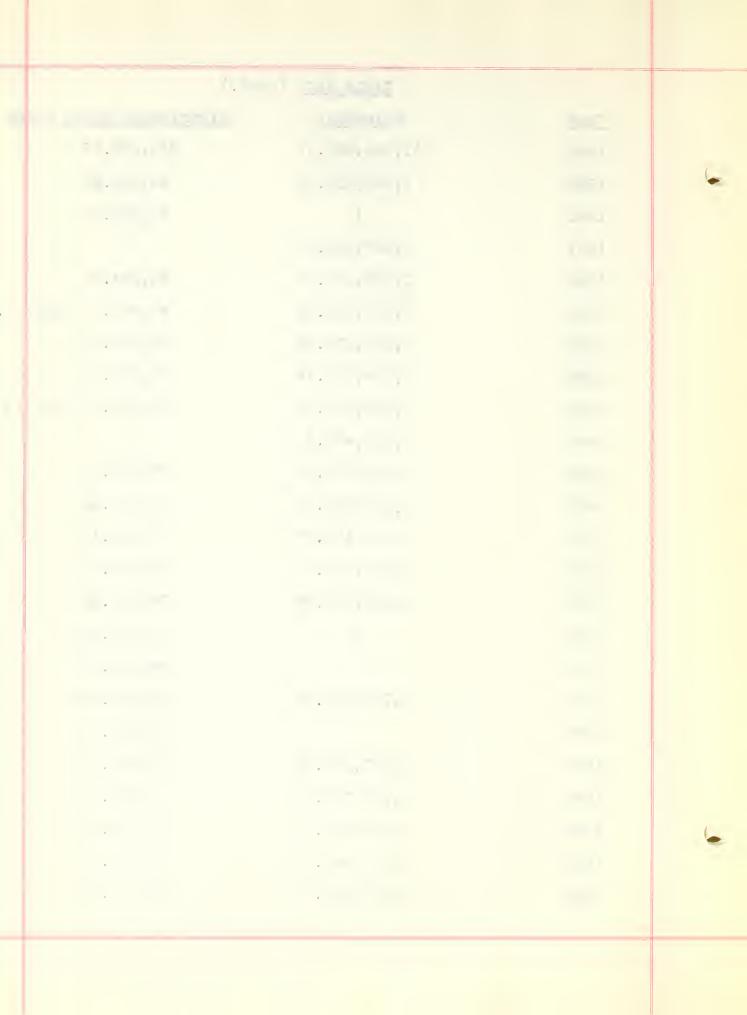


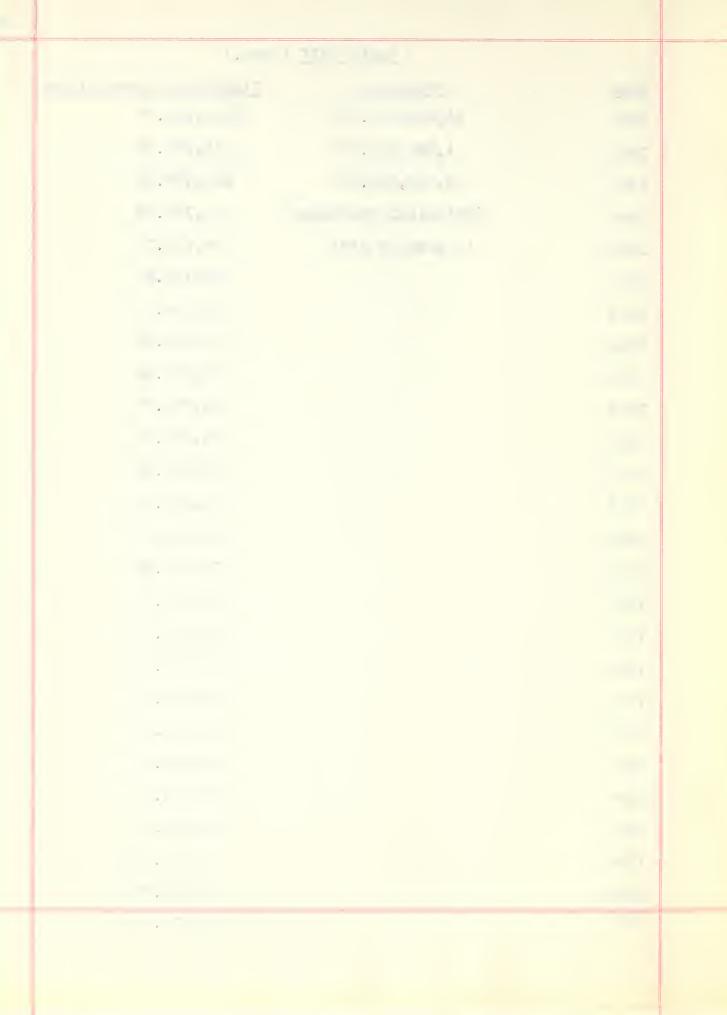
TABLE XXII (cont.)

Year	Principal	Distributed among towns
1882	?	\$69,349.94
1883	\$2,711,263.26	68,732.55
1884	2,710,208.51	68,642.28
1885	2,710,241.30	67,972.77
1886	2,710,241.30	67,061.46
1887	2,715,944.00	67,508.59
1888	2,709,286.60	70,112.74
1889	2,709,725.32	63,980.24
1890	2,729,396.65	63,649.47
1891	3,665,761.88	65,214.38
1892	3,665,761.88	64,750.45
1893	3,670,548.14	81,827.27
1894	3,770,548.14	77,778.43
1895	3,870,548.14	79,410.10
1896	3,970,548.14	86,364.82
1897	4,070,548.14	91,086.49
1898	4,170,548.14	97,803.70
1899	4,270,548.14	94,521.12
1900	4,370,548.14	93,651.12
1901	4,470,548.14	105,374.00
1902	4,570,548.14	182,270.84
1903	4,670,548.14	107,679.02
1904	4,780,110.66	183,694,39

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TABLE XXII (cont.)

Year	Principal	Distributed among towns
1905	\$4,880,110.66	\$211,325.58
1906	4,980,110.66	219,379.32
1907	5,000,000.00	224,468.31
1908	(Principal unchanged	229,121.22
1909	to present date)	229,439,73
1910		231,173.87
1911		238,748.72
1912		227,664.36
1913		228,558.82
1914		228,758.79
1915		204,879.26
1916		202,848.94
1917		203,365.72
1918		206,411,24
1919		210,556.21
1920		238,348.51
1921		266,791.56
1922		217,409.12
1923		206,471.60
1924		211,632.79
1925		216,192.00
1926		210,744.37
1927		215,638.15
1928		213,428.18
1929		213,928.78
1930		223,875.33



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As was seen in a previous chapter, in 1926 Massachusetts abandoned town valuation, the traditional foundation for the apportioning of state aid, and substituted the proportional amount paid by the towns of the state tax as a basis for determining disbursements. It might be convenient at this point briefly to review the principles on which subsidies are now granted by the state. Flat sums of \$200, 150 and 100 are given the towns for each employee whose basic salary is not less than \$950, 850 and 750 respectively. (See Table VI). In addition to this basic aid, additional subsidies were granted on a basis of the proportion of the state tax paid by the individual towns. This proportionate amount is divided by the net average membership of the public day schools, and aid is administered on a basis of the quotients thus obtained. The classification of quotients is as follows, aid being given for each employee for whom reimbursement is received on a flat basis as provided above.

TABLE XXIII
BASIS FOR SUPPLEMENTARY STATE AID

Quotient	Aid given per eligible employee
Less than \$.60	\$250
\$.6064	200
.6569	150
**	***

Tabulated from General Laws, 1932, op. cit., chap. 70, Part I, sec. 4.

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TABLE XXIII (cont.)

Quotient	Aid given per eligible employee
\$.7079	\$125
.8084	100
.8594	50

With this newly established basis for state aid in mind, it is interesting to note the success which it meets in equalizing educational opportunity in the various towns. Table XXIV has been prepared from statistics furnished in the Report for 1932 to give some indication of the manner in which aid is now apportioned. The communities of the state have been divided into four classes, cities, towns of more than 5000 population, towns of less than 5000 population supporting high schools and towns of less than 5000 population not supporting high schools. In each group the wealthiest, median and poorest community on a basis of value tion per public day school pupil has been selected. The expenditure of the communities on a basis of local valuation, the actual expenditure from local taxation per pupil, the sum received from state reimbursement, the sum so received per pupil and the rank of the community in its group according to each category are indicated.

The first deduction that one is to draw from such statistics is that a notable step has been made towards administering state aid on an equitable basis. Yet is must be recognized that perfect justice has not as yet been achieved.

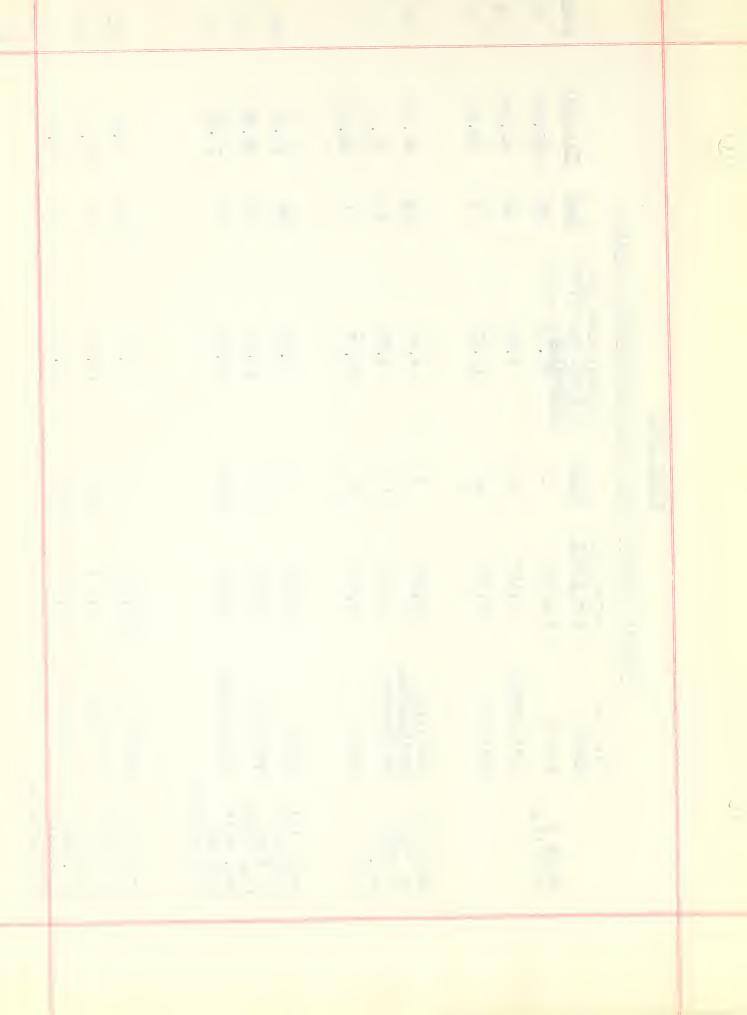
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Thus, while the valuation of Boston per pupil stands in relation to the similar valuation of Peabody in the approximate proportion of three to one, state aid is administered in the approximate ratio of three to five. When one considers that Peabody spends nearly twice as much on its schools per \$1000 valuation as Boston and yet devotes, from local taxation, only \$71 to Boston's \$115, it is evident that the state has not gone far enough in equalizing educational opportunity in the two communities. An even greater discrepancy is seen in the case of Brookline and Easthampton. Brookline is more than three times as wealthy as Easthampton on a basis of valuation per pupil and though it devotes only half as much per \$1000 valuation, it actually devotes more than twice as much per pupil than Easthampton, yet Brookline actually receives more from the state per pupil than Easthampton. Dover is approximately three and a half times as wealthy in valuation per pupil as Brimfield, yet Brimfield receives only two and a half times the aid accorded Dover. In the case of Gosnold and Wilbraham, the ratio of valuation per pupil is approximately twenty one to one while the ratio of state aid per pupil is only two to three.

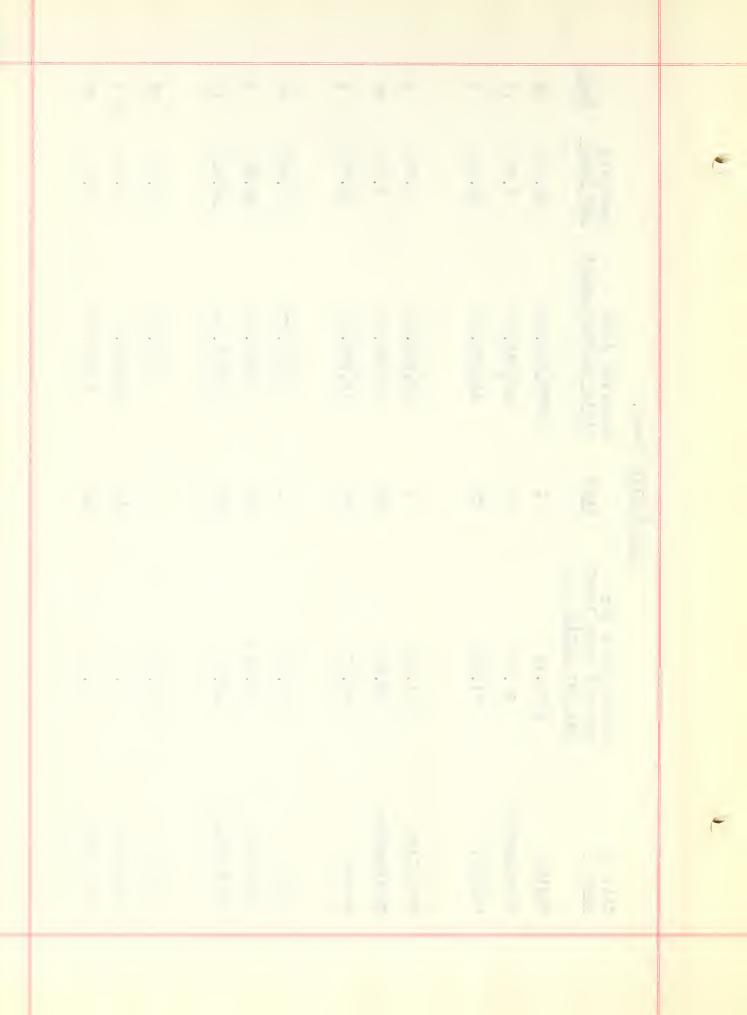
Similar comparisons might be made literally in hundreds of cases, but the logical deduction would remain the same.

Allowance must be made for the fact that an important step has been taken in the direction of equitable distribution of state aid by the abandonment of town valuation as a basis

	Rank	20	21	111	80	47	H		80	62	79	125	22	ić)
	Tax rate	\$31.50	32.50	35.80	20.40	31.00	46.60		23.60	28,25	37.20	7.00	29.00	42.60
933	Rank	36	12	ы	82	00	m		98	74	~	125	23	CQ.
AS ADMINISTERED IN 1932	Expenditures for schools per \$1000	valua (1011 ♣7.73	96.6	13.27	4.82	9.73	20.87		7.79	14.00	16.08	1.60	12.44	20.07
STATE AID	Rank	Н	000	39	ri	41	83		Н	54	108	m	89	125
TABULAR VIEW OF S	Valuation per pupil	\$14,935	8,127	5,399	20,202	6,807	8,730		24,510	6,636	3,104	128,200	6,174	2,999
TABUL	City or town	Boston	Northampton	Peabody	Brockline	Easthampton	Dracut		Dover	Brimfield	Belchertown	Cosnold	Wilbraham	Clarksburg
	Group I 39 cities							Group III	of less	pop. main- F taining high schools	Group IV	of less	pop. not	



TABLE_XXIV (cont.) Received from schools from schools from local town. Received from schools from local tax per pubil. Rank schools from local tax per pubil. Section (115.43						_		_								
Expenditure for schools from local tax per pubil Rank state reinbursement tax per pubil Schools from local tax per pubil Schools from supton Schools Schoo		Rank	35	11	co		0	62	4	45	4	13	75	101	69	
Expenditure for achois from local Rank state tax per pupil Rank state tax per pupil Rank state tax per pupil Rank state Rank		Received per pupil	\$6.70	7.69	10.06		9.38	7.03	12.76	17.69	44.98	8000	33.09	22.23	36.61	
TABLE XXIV or schools from local tax per pupil n #115.43 ampton #0.93 17 dy 71.63 27 dy 71.63 141.13 1 150.97 1 150.97 1 150.97 1 150.97 1 150 anpton #9.91 1 216.36 aham 76.78 849 649 85burg 66.81 66.81	cont.)	Received from state reimbursement	\$879,013.09	26,585,98	45,270.00		55,620.50	12,225.00	19,200.00	2,653.87	6,882.78	14,031.24	364.18	12,494.41	8,456.98	
Expenditure for schools from local tax per pupil lax per pupil line 80.93 71.63 71.63 141.13 150.97 1eld 92.84 49.91 sburg 66.81 66.81	1	Rank	w	17	37		-	00	50	Н	33	100	Н	0.7	64	
City or town Boston Morthampton Easthampton Dracut Dracut Brimfield Belchertown Gosnold Wilbraham Clarksburg	77	Expenditure for schools from local tax per pupil	#115.43	80.93	71.63		141.13	66.25	56.97	190.97	92.84	49.91	216.36	76.78	66.81	
		City or town	Boston	Nor thampton	Peatody		Brookline	Eas thampton.	Dracut	Dover	Brimfield	Belchertown	Gosnold	Wilbraham	Clarksburg	



for assignment; towns of absolutely high valuations but, in proportion to students, low valuations are now aided, yet it must be conceded that the wealthier towns of small population are still granted aid proportionally greater than that assigned the needier communities.

The present study does not concern itself with the theory of state aid but rather with its history. Yet one does not feel justified in leaving the subject without suggesting a possible basis for a more equitable distribution. The traditional aim of Massachusetts has been to "encourage", not to support education. The vital need is for the effecting of equalized educational opportunity, and the proper function of the state, according to Massachusetts, is to provide such equalization. It appears to the writer that a more complex method of determining the aid to be granted local communities is essential if justice is to be effected. Consideration must be taken of the valuation of the community per pupil, and both the actual expenditure per pupil from local taxation and the proportion such expenditure bears to local valuation. The development of a formula taking cognizance of such elements would, no doubt, present a nice problem to taxation experts, yet it may well be that only by progress along such lines is Massachusetts to reach the splendid educational goal it has set for itself, equal educational opportunity for every child within its confines.

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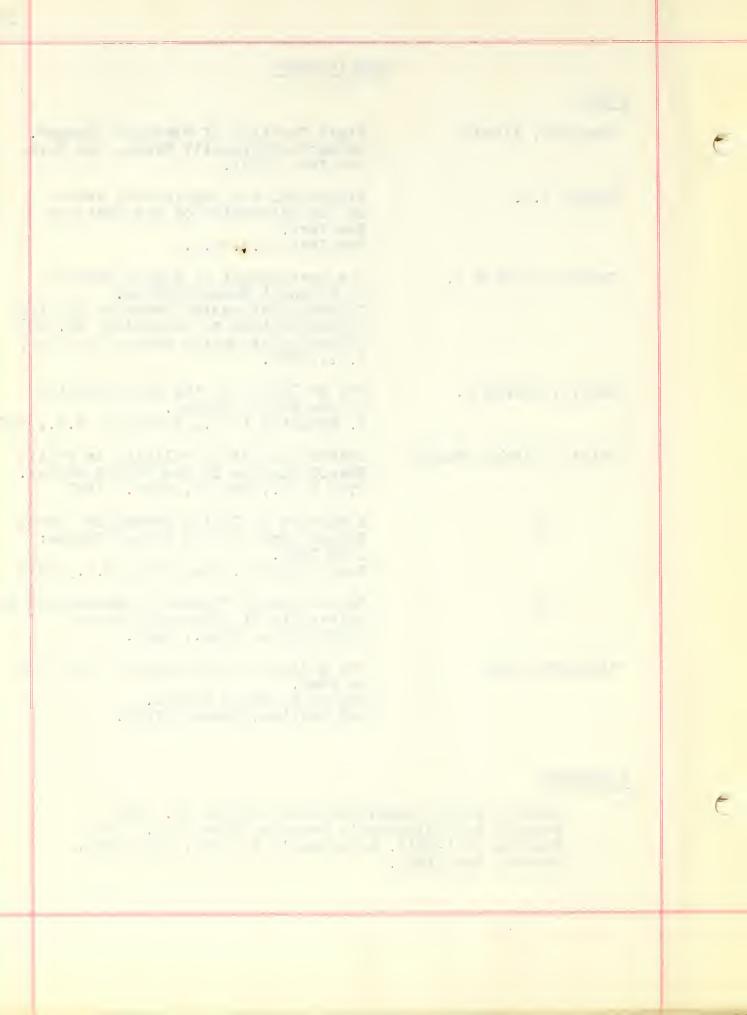
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